

INSLAW

Part 1 of 2

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Subject: the INSLAW Case: part I of "BARRON'S" 1988 2-part piece

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although these 2 articles are dated by more than 3 1/2 succeeding years-worth of newer revelations and mounting evidence of cynical corruption at the highest levels of the executive branch, as well as linkages into the judicial branch of the u.s. government, they still provide very useful and well-researched background material.

In his decision, [federal bankruptcy judge George] Bason compares the Justice Department to someone who decides to test drive an automobile: "So the customer drives off with the car and this is the last the dealer ever sees of him. I think that is approximately what the Department of Justice has done in this case."

First of a 2-part piece which began in the March 21, 1988 issue of
"BARRON'S NATIONAL BUSINESS AND FINANCIAL WEEKLY"

Beneath Contempt
Did the Justice Dept. Deliberately Bankrupt INSLAW?
By MAGGIE MAHAR

"A VERY strange thing happened at the Department of Justice . .
."

What that very strange thing was was described in clear and exhaustive detail in Judge George Bason's blistering ruling before

a packed Washington, D.C., courtroom last September. In a quiet voice, Bason, a 56-year-old federal bankruptcy judge with a reputation for being meticulous in his judicial approach, told the astonishing story of INSLAW vs. the United States of America.

In his ruling on the case, Bason explained how "through trickery, deceit and fraud," the U.S. Department of Justice "took, converted, stole" software belonging to INSLAW, a Washington-based computer software firm. In 1982, INSLAW signed a \$10 million contract to install its case-tracking software, PROMIS (Prosecutor's Management Information System) in the Justice Department's offices. But instead of honoring the contract, Bason asserts, Justice officials proceeded to purposefully drive the small software company into bankruptcy, and then tried to push it into liquidation, engaging in an "outrageous, deceitful, fraudulent game of cat and mouse, demonstrating contempt for both the law and any principle of fair dealing."

Ultimately, the series of "willful, wanton and deceitful acts" led to a cover up. Bason called statements by top Justice Department officials "ludicrous . . . incredible . . . and totally unbelievable."

Some of the evidence against the department came from one of its own. During the course of the litigation, Anthony Pasciuto, deputy director of the department's Executive Office for United States Trustees, met secretly with INSLAW'S president, William Hamilton. At that breakfast meeting at the Mayflower hotel, Anthony Pasciuto told Hamilton and his wife, Nancy, how the Justice Department had pressured Trustee officers to liquidate their company. Later, a superior confirmed Pasciuto's story. But at the trial, a horrified Pasciuto listened while his superior changed his testimony. Close to tears, he, too, recanted.

Judge Bason believed Pasciuto's original testimony however. On Feb. 2, 1988, he ordered Justice to pay INSLAW about \$6.8 million in licensing fees and roughly another \$1 million in legal fees. Bason wasn't sure whether he could assess a department of the U.S. government with punitive damages. If so, damages could run as high as \$25 million. Bason struggled with that legal question and finally postponed the decision to a later date.

Now, no one knows how Judge Bason would have ruled on the question of damages. In November, Judge Bason rejected a Department of Justice motion to liquidate INSLAW. A scant one month later, the Harvard Law School graduate and former law

professor discovered that he was not being reappointed. The decision to replace him followed from a recommendation made by a four-man merit selection panel appointed by the chief circuit judge, Patricia Wald, a former Justice Department employee. The panel was headed up by District Judge Norma Johnson, another former Justice Department lawyer.

Judge Bason stepped down in February. He was replaced by S. Martin Teel Jr., 42, one of the Justice Department lawyers who had unsuccessfully argued the INSLAW case before Bason. Even jaded, case-hardened Washington attorneys called the action "shocking" and "eerie."

INSLAW'S case will be assigned to another judge for disposition of damages. Meanwhile, the Justice Department is appealing Judge Bason's initial \$8 million award to U.S. District Court. And, last week, the Internal Revenue Service descended on the Hamiltons, demanding that the bankrupt company pay \$600,000 in back taxes--immediately.

"I restrained the IRS from going after the Hamiltons personally--just a few days before I left the bench," Bason recalls. "But that restraining order lasts only 10 days. I don't know what's happening now."

"It seemed as if the controversy was winding down," observes INSLAW'S former attorney, Leigh Ratiner. "It would follow a natural course in the press, and then fade from view." Inslaw would become another shocking event that slinks off into obscurity: Someone occasionally might dimly remember and idly ask, "What ever did happen to Bill Hamilton and those INSLAW people? A real shame . . . I heard the judge was back teaching law somewhere. . . ."

But at the end of last week Anthony Pasciuto instructed his lawyer to write a letter to Deputy Attorney General Arnold Burns. Pasciuto has decided to tell the full story that he began telling at the Mayflower last spring. And, in an interview with "Barron's" at the end of the week, Pasciuto explained how the Justice Department black-listed INSLAW. It was a tale that involved two U.S. trustees, a federal judge who told two versions of the same story, and a Justice Department that routinely refused to pay certain suppliers: "If you're on the bad list, you go in this drawer," another Justice Department employee explained to Pasciuto.

Pasciuto knows what happened--but not why. In the trial, INSLAW claimed that C. Madison "Brick" Brewer, the Justice Department employee responsible for administering the department's \$10 million

contract with INSLAW, held a grudge against the company: INSLAW's Hamilton had fired Brewer in 1976. But since the trial, Hamilton has become convinced that Brewer alone could not have been that powerful. Bason's removal and Pasciuto's account suggest that what motivated the remarkable behavior of the Justice Department was something of greater moment than a middle-level employee's petty grievance.

Indeed, three people have lost their jobs as a result of the INSLAW scandal--but not paradoxically, those responsible for the scandals. The trio of victims includes Judge Bason and Pasciuto--who received notice that he would be fired after he testified, and just two days after Judge Bason was informed that he would not be reappointed. The third casualty of the Inslaw affair was Leigh Ratiner a former partner at Dickstein Shapiro and Morin, the firm that represented Edwin Meese during his confirmation hearings for Attorney General.

Why Bason and Pasciuto got the axe can easily be inferred. Ratiner's forced departure is a little more complicated. In January 1986, Elliot Richardson asked Ratiner to take on INSLAW'S defense. Ratiner agreed, and named D. Lowell Jensen, then the Deputy Attorney General, and a long-time Meese friend, in a complaint. Not long after, Meese discussed the case with another Dickstein, Shapiro partner, Leonard Garment, the attorney who, along with E. Robert Wallach, represented Meese in his confirmation hearings. Meese acknowledged the conversation in a pretrial interrogation. Shortly thereafter, his partners at Dickstein, Shapiro asked Ratiner to resign.

The Senate's Permanent Subcommittee on Investigations is now looking into INSLAW--a sign that the lawmakers, too, think that the whole story of the "something strange" that happened in the Justice Department has yet to be told. The Hamilton's attorneys aren't sure why a department of the U.S. government wanted to liquidate their company. Anthony Pasciuto doesn't know. Judge Bason is still trying to piece together who had it in for him and why. But Bason, Hamilton and the attorneys involved in the case are beginning to define the pieces of the puzzle with some pointed questions.

Why did the Justice Department hire Brick Brewer, a former INSLAW employee, to supervise a contract with his former employer? "The person is going to be biased in favor of the former employer--or he is going to be biased against the former employer," Bason

pointed out in his decision.

The judge also noted that D. Lowell Jensen, the former deputy Attorney General named by Ratiner in his complaint, was questioned on this issue. Jensen, now a federal judge in California, "recognized the general principle that it is a bad idea" to hire a former employee, disgruntled or otherwise, for such a task, Bason observes. But, Bason wrote, he was amazed to find "no hint in Jensen's testimony that he recognized there was any possible applicability of that general principle to the case of Mr. Brewer and Inslaw."

Hamilton discloses that Mr. Jensen himself was already familiar with INSLAW. Hamilton ran into Jensen in the early 1970s, when Hamilton was developing PROMIS, the case-tracking system that he contracted to sell to the Justice Department. At that time, Jensen, a long-time friend of Ed Meese, was district attorney in Alameda County in northern California, developing his own computerized case-tracking system, DALITE. Jensen competed with Hamilton's PROMIS head-on-head. PROMIS won.

Hamilton and others familiar with the case ask: Could Jensen still be feeling competitive? People who have "tracked" the INSLAW case point to the coincidences of timing: INSLAW'S problems with the Justice Department erupted soon after Jensen was promoted to Associate Attorney General--the No. 3 person in the department--in 1983.

Hamilton reveals another curious coincidence: About 90 days before the Justice Department contract began to fall apart, he received a phone call from Dominic Laiti, chairman of Hadron Inc., a company in which Earl Brian, a long-time Meese colleague, holds an interest (see "Brain's Meese Connection" posting following this one, from Barron's Jan. 11, 1988 issue). Brian's Infotechnology controls four of six seats on Hadron's board. Laiti told Hamilton, according to Hamilton, that Hadron intended to become the dominant supplier of computer software and services to law enforcers and courts and related agencies, and that Hadron wanted to buy INSLAW. "We have ways of making you sell," Hamilton quotes Laiti as saying.

Laiti insists: "I have no memory of this. It all sounds ridiculous to me."

The bizarre web of coincidences and connections includes AT&T. AT&T had a contract with INSLAW and, during bankruptcy proceedings, declared itself a major creditor. Then, Hamilton alleges, AT&T's attorney began to behave less like someone representing a creditor

interested in salvaging the company than like an attorney for the Justice Department bent on liquidating it. More coincidences: AT&T's outside counsel, Ken Rosen, was with an obscure New Jersey firm, but formerly had been a member of Deputy Attorney General Burns's New York law firm. Rosen's co-counsel, Shea & Gould, is not AT&T's usual outside counsel, either, though it is the firm used by Earl Brian.

Bason questions the failure of high Justice Department officials to take any action to investigate serious allegations of misconduct. Both Hamilton and his attorney, Elliot Richardson, complained about Brewer's handling of the contract, and requested an investigation.

"There's such a contrast between the total inaction on the part of Justice Department regarding Mr. Brewer--and the hammer and tongs approach they're using with Mr. Pasciuto," Bason observes.

Last Thursday, Pasciuto's attorney, Gary Simpson, delivered his letter to Deputy Attorney General Burns--and met with the Senate committee. At the end of the week, that committee met with Bason, as well. Senator Nunn's committee may find some answers--and ask more questions--that will illuminate this bizarre story.

For now, Pasciuto does know what happened to him and his tale provides a window on the strange thing that happened to INSLAW.

In March of 1982, William Hamilton could probably envision his face on the cover of Fortune. He had just won the \$10 million, three-year contract with the Justice Department to install PROMIS in the department's 20 largest U.S. Attorney's offices, and to develop a separate program for its 74 smaller offices. Hamilton, who had contracts with private firms as well, now had a deal with the nation's premier law firm: the Department of Justice.

PROMIS was unique, and those 94 U.S. Attorney's offices represented an entering wedge: Hamilton could dream of capturing the federal judicial system's entire caseload. In the fiscal year October 1, 1982, INSLAW's revenues went up about 35% to \$7.8 million, with more than half of those revenues coming from the Justice Department contract.

But then, that funny thing happened. The Justice Department began postponing payments. In July 1983, Hamilton says, the department suspended nearly \$250,000 in payments, alleging that the company was overcharging the government for time-sharing. In February 1985, the government terminated the contract with smaller offices that had been generating revenues of \$200,000-\$300,000 a

month.

INSLAW's cash flow shriveled. By Feb. 7, 1985, the government had withheld \$1.77 million. Inslaw twisted and turned, trying to negotiate with the Justice Department, desperate to find out what went wrong. Finally, in financial shambles, INSLAW filed for bankruptcy in late February. The Department of Justice kept the INSLAW software--and kept on using it.

In his decision, Bason compares the Justice Department to someone who decides to test drive an automobile: "So the customer drives off with the car and this is the last the dealer ever sees of him. I think that is approximately what the Department of Justice has done in this case."

In last week's letter to Deputy Attorney General Burns from Pasciuto's attorney, Gary Simpson, Pasciuto suggests a pattern of harrassment that helped drive INSLAW into Chapter 11. According to Pasciuto, in June of 1984, Robert Hunneycutt, who worked in the Department of Justice's finance offices, told him about his practice of dividing contractors' bills into three piles. "One pile he would pay right away; the next pile when he got around to it; and then he opened a drawer and pointed to some invoices in the drawer and said: "These invoices may never get paid." Hunneycutt then identified such invoices as belonging to companies on the "bad list."

"Mr. Pasciuto asked who was in that pile," the letter to Burns goes on, "and he said that INSLAW was an example and that 'People in the U.S Attorney's offices don't like INSLAW they are in this pile. . . .'"

When "Barron's" phoned Hunneycutt, he returned the call, and left this message: "Mr. Hunneycutt knows nothing." In a subsequent conversation, he denied the conversation with Pasciuto.

But Hamilton claims that the Justice Department was trying to starve INSLAW. They didn't just push to bankrupt the software firm, he insists, they wanted to liquidate it, converting it from Chapter 11 to Chapter 7, as soon as possible. Why? Hamilton speculates that Justice may have wanted to push INSLAW into an auction where PROMIS could be purchased cheaply by someone that the department viewed more favorably.

Indeed, the Justice Department did move for liquidation. And on St. Patrick's Day 1987, Anthony Pasciuto met with the Hamiltons at the Mayflower and gave them a fuller picture of what was happening to them. A mutual friend, Mark Cunniff, executive director of the

National Association of Criminal Justice Planners, asked Pasciuto to go to that breakfast meeting at the Mayflower.

"I said, 'Don't you know what you're asking me to do?'"

Pasciuto recalls. "He said, 'I know.'"

"I knew him for 19 years," Pasciuto explains. "I said, 'Mark, I'm doing it for you--and for these poor people.' I knew they had five kids," adds Pasciuto, a graying 44-year-old All-American "nice guy" with a strong Boston accent, and an open, slightly pockmarked face. Pasciuto has been married for 21 years, in government service for 21 years, and still wears his class ring--U. of Mass., 1965.

So, at the Mayflower, Tony Pasciuto remembers he tried to help Bill and Nancy Hamilton--and confirmed their most paranoid fantasies: The Justice Department was out to get them.

At the meeting with the Hamiltons Pasciuto told them that his boss, Thomas Stanton, director of the Justice Department's Executive Office for U.S. Trustees, was pressuring the federal trustee overseeing the INSLAW case. William White was being pressed to liquidate INSLAW. According to Pasciuto, in 1985 White told him that he was resisting the pressure. As a result, White informed Pasciuto, Stanton denied White's Alexandria office administrative and budgetary support and, at the same time, tried to have an assistant from the U.S. Trustee's office in New York take over the case and convert it.

The Hamiltons were told by Pasciuto that Cornelius Blackshear, the U.S. trustee in New York at the time of INSLAW's Chapter 11 filing, knew all about Stanton's plan. Pasciuto said that Judge Blackshear had repeated this tale of pressure in the presence of United States Court of Appeals Judge Lawrence Pierce in the judge's chambers in Foley Square in New York. Pasciuto also told the Hamiltons that the Justice Department had blacklisted INSLAW on the department's computer system procurements.

On March 25, 1985, INSLAW's lawyers deposed Blackshear, and he confirmed the story of pressure to liquidate INSLAW. The very next day, March 26, Blackshear met with a Justice Department representative, and signed a sworn affidavit, recanting, and saying that he had confused INSLAW with another case--United Press International, which had also been involved in bankruptcy proceedings in Judge Bason's court.

"I know the difference between UPI and INSLAW, I'm not that dumb," Pasciuto observes. He spells it out with a finger: "U--P--

I."

Cornelius Blackshear left his position as United States Trustee and became a United States bankruptcy judge the following fall.

According to Pasciuto, Judge Blackshear discussed INSLAW in Judge Pierce's chambers. But when questioned on the point, Judge Pierce told "Barron's": "I have made it my business not to get into the particulars of whatever Tony [Anthony Pasciuto] got himself into the middle of. Apparently, he thought his employer was doing something that was not kosher. I told him I didn't want to know about it--if he needed to, he should hire an attorney."

When "Barron's" offered to recount the details Pasciuto allegedly discussed in his presence, the judge grew agitated: "Don't tell me--I don't want to hear it. I don't want to know about it."

"I did ask him for help--six months before it all happened. I didn't know what to do," Pasciuto recalls. "Judge Pierce and I go back to the time when I was an assistant dean at the School of Criminal Justice in Albany--in 1972. He was a visiting faculty member for one year. We became good friends. I considered him a father figure.

In his ruling, Judge Bason noted that Blackshear had given "two different versions of the same event" and decided that other evidence supported the first version. White also denied the story of political pressure in court and Judge Bason asserted in his June 1987 ruling, "What I do believe is that Mr. White has a capacity to forget . . . a capacity which probably all humans share to some degree or another."

Judge Bason went on to point out: "Mr. White has just recently joined a large law firm that practices primarily in Virginia and primarily in bankruptcy matters. Mr. White's future with the firm that he so recently joined could well be dependent on income-producing work that he does. . . . It seems to this court that Mr. White is not in a position at this point in his career to jeopardize his relationship with the U.S. Trustee's office in Alexandria, and for him to testify in a way that would be strongly disliked and disfavored by the Executive Office for U.S. Trustees could well have an adverse impact on the relationship between the executive office and the Alexandria office and, in turn, a relationship between Mr. White and the Alexandria office."

But in late spring of 1986, White was still a U.S. Trustee, and Pasciuto recalls one more incident involving INSLAW. White called

Pasciuto and asked for an extra filing cabinet for his INSLAW files. "I said, 'You've got plenty of them over there,'" Pasciuto recalls. White responded, "I know, but I need another one because I need to put all the INSLAW files in one cabinet and lock it."

White was discreet. So, on June 1, 1987, when Anthony Pasciuto walked into that packed D.C. courtroom to take the stand in the INSLAW case, he knew that White would not support his story. He also knew that Judge Blackshear had changed his original story. As Pasciuto's lawyer puts it in the letter to Burns: "Mr. Pasciuto was now the only person with recollection of conversations with U.S. Trustees in which Mr. Stanton was identified as having put pressure regarding the INSLAW case. Other people's recollections were being erased by mechanisms best known to them."

Pasciuto's boss, Stanton, apparently put his own pressure on Pasciuto. Beginning in 1985, according to the letter to Burns, Pasciuto began reporting his concerns about substantial deficits in the U.S. Trustee's office to Stanton. In 1986, Pasciuto spoke to the Department of Justice's finance staff and by late 1986, he says he had gone on record with the Office of Professional Responsibility about financial indiscretions by Stanton. According to Pasciuto, Stanton in September 1986 called him a "traitor." Pasciuto began actively looking for other employment, including a job as Assistant U.S. Trustee in Albany, N.Y. But no transfers were available for Anthony Pasciuto--until he was subpoenaed to testify in the INSLAW case.

"Within an hour of receiving that subpoena to testify, Mr. Pasciuto was given a copy of an appointment paper for a job as the Assistant United States Trustee, Albany, New York, signed by Mr. Stanton," Simpson, Pasciuto's attorney, reports in last week's letter to Burns. After the trial was over, however, Pasciuto was told that the procedure "was changed" and that the deputy Attorney General would have to sign off on the form. That never happened.

But Pasciuto, who believed the signed appointment papers, sold his house in Maryland for \$200,000 and bought a house in Albany for \$250,000. On the day the movers came, he was told that the sale of the Maryland house had fallen through. "We had to move, we had to carry two houses--and we couldn't even move into the Albany house yet because the owners wouldn't be moving out for a month," Tony Pasciuto recalls. "So, we stayed with in-laws for a month." That was May 22, 1987. Nine days later Tony Pasciuto walked into court.

When he entered the court room on June 1, 1987, Pasciuto was not

represented by counsel. According to Simpson, his attorney: "The Justice Department attorney who was handling the INSLAW case, Mr. Dean Cooper, did not prepare him well for his trial testimony. The paralegal who was taking notes during the witness preparation says that he has lost the notes of that meeting."

When the questioning began, Pasciuto must have realized that the Justice Department attorney was not going to guide him gently through his story. One of Cooper's first questions was "whether [Pasciuto] had been seeing a doctor about a stressful condition."

In his letter to Burns, Simpson explains: "Mr. Cooper apparently knew that Mr. Pasciuto had been seeing a psychiatrist in connection with personal problems that he had been experiencing and Mr. Pasciuto . . . now knew that the United States Department of Justice was prepared to stoop to the level of bringing his personal problems into the INSLAW case to get him to be careful about what he said."

Apparently, the tactics worked. Pasciuto recanted, saying that the statements he made to the Hamiltons at the Mayflower were made in an effort to hurt Stanton, who was blocking his promotion.

Judge Bason remembers the scene: "Mr. Pasciuto seemed to be basically a very honest person who had been caught up amongst a gang of very tough people--and he just didn't know what to do. He was a career federal employee and he was petrified. He probably had a vision of losing his job, his marriage, everything. Probably he thought the only way he could save anything was to recant. I had to adjourn at one point during his testimony--he was close to tears."

But Pasciuto didn't save his career. And now, in the letter to Burns, he has come forward to make a full disclosure.

Last week's letter to Burns contains a compelling, painful vignette of a chance meeting between Pasciuto and Blackshear, about a month after the trial, on July 11, 1987. If Hamilton felt floored by Pasciuto's testimony, so Pasciuto must have felt betrayed by Blackshear's change of heart. The meeting was awkward.

As Simpson tells the story in the letter to Arnold Burns, it was six in the evening, when Pasciuto and his wife were leaving the home of a mutual friend, Harry Jones, now U.S. Trustee for the Southern District of New York. Judge Blackshear came up to Tony Pasciuto, put his arm around him, and said, "I am sorry, it will be all right."

Pasciuto replied: "No, it is not going to be all right, they

are going to fire me."

Blackshear responded, "They are not going to fire you. Don't they know how much you know?"

Pasciuto: "Yes, but they don't care."

Blackshear: "But you told the truth."

Pasciuto: "Of what importance is the truth if everyone else is lying?"

Blackshear: "These people came up from Washington and the U.S. Attorney's office; I got confused. I thought that by changing my story I would hurt less people. I didn't know you were subpoenaed until I saw your testimony, which was sent to me by Barbara O'Connor."

Pasciuto: "Do you remember what we talked with Judge Pierce about?"

"I wanted to see if he was going to continue his crap," Pasciuto recalls. "But he dodged--literally backing away from me--saying, again, 'They sent someone from Washington and someone from the U.S. Attorney's office. I felt the easiest thing to do was recant. I felt less people would be hurt if I just bailed out.'"

In Simpson's version, Judge Blackshear had received two telephone calls from William White the day he changed his story. White told him he had the wrong case.

Pasciuto, exclaimed, sarcastically: "What! They asked you about converting *another* case [from Chapter 11 to Chapter 7]?"

Blackshear, waving his hand: "I don't want to get into it and who the hell cares?"

Today, after listening to Simpson's version, Blackshear states: "I don't remember the specifics, word for word, but I do remember having that conversation. And I don't have any problems with what Tony remembers."

Recalling the scene, Pasciuto says: "You know, even now--I'm not angry. I can't help it. I'm not. Blackshear is basically a wonderful person. It's sad--I'm sorry, I'm not angry. It really is sad. I feel devastated."

Tony Pasciuto now has a house in Albany, and soon will have no job either in Washington or New York. Over the past nine months, he has spent \$12,000 commuting from Albany to the job he still clung to in D.C. Legal fees are draining his savings--the bills total \$25,000 so far. "We're lucky that my wife and I were always frugal and have the money saved," he says proudly.

But Tony Pasciuto is frightened. "At work, ever since I got the

letter saying they were firing me, I've felt like I was underhouse arrest," he relates. "People come by my office to see if I'm there. If I leave, I have to sign out. Everyone is supposed to, but normally very few people sign out. If I don't, they try to track me down. If I go to the Men's Room, they come looking for me.

"I'm just a GS 15," adds Pasciuto, referring to his level in government service. "Stanton, my boss, can't fire me. Stanton made the accusations, but the deputy Attorney General, Arnold Burns, will fire me. How does it feel to know that the deputy Attorney General of the United States wants to destroy a GS 15? It's scary. It scares me to death."

(To be continued/concluded in part II)

--

daveus rattus

yer friendly neighborhood ratman

KOYAANISQATSI

ko.yan.nis.qatsi (from the Hopi Language) n. 1. crazy life. 2. life in turmoil. 3. life out of balance. 4. life disintegrating.
5. a state of life that calls for another way of living.

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although these 2 articles are dated by more than 3 1/2 succeeding years-worth of newer revelations and mounting evidence of cynical corruption at the highest levels of the executive branch, as well as linkages into the judicial branch of the u.s. government, they still provide very useful and well-researched background material.

That the U.S. Justice Department could engage in a vendetta that would end the career of a federal judge, bankrupt a company, force a partner out of his law firm, cause another federal judge to recant under oath and reach down and wreck the career of a 21-year government-service employee--that's the stuff of a spy novel, set, one would hope, in another country. But resignations en masse from a Department of Justice inhabited by "moles" suggest alarming facts, not diverting fiction.

Conclusion of a 2-part piece which appeared in the April 4, 1988 issue of "BARRON'S NATIONAL BUSINESS AND FINANCIAL WEEKLY"

This part was the cover story with the following title emblazoned above the seal of the United States Department of Justice:

*Rogue Justice: Who and What
Were Behind The Vendetta Against INSLAW?*

Rogue Justice

What Really Sparked the Vendetta Against INSLAW
By MAGGIE MAHAR

TWO weeks ago, "Barron's" told the story of INSLAW, a small software company that landed a \$10 million contract with the Justice Department in 1982. Bill Hamilton, INSLAW'S 42-year-old founder was jubilant when Justice bought the Prosecutor's Management Information System (PROMIS), which he had spent his life--and his life's savings--building. But then things took a mysterious and nasty turn. Justice began withholding payments. Contract disputes multiplied. Threats accelerated. Bill Hamilton couldn't understand what was happening or why. But he knew INSLAW's cash flow was shriveling. By 1985, INSLAW was in financial shambles, and Bill Hamilton ended up in federal bankruptcy court. And there, last fall, a federal bankruptcy judge handed down an astonishing ruling.

Judge George Bason found that the Justice Department had purposefully propelled INSLAW into bankruptcy in an effort to steal its PROMIS software through "trickery, deceit and fraud." On Feb. 2, 1988, Bason ordered the Department of Justice to pay INSLAW about \$6.8 million in licensing fees and roughly \$1 million in legal costs. He postponed a decision on punitive damages--which could run as high as \$25 million.

Trial testimony revealed an unexplained series of "coincidences" surrounding the INSLAW case, including the fact that Justice appointed C. Madison "Brick" Brewer to oversee the INSLAW contract. Brick Brewer had worked for Hamilton--until Hamilton fired him in May 1976. After listening to Brewer's testimony, Judge Bason wrote that he could not understand why Justice picked a man "consumed by hatred" to administer the contract with a former employer. He also couldn't fathom why top department officials ignored complaints from INSLAW attorneys when Brewer began withholding payments. "A very strange thing happened at the Department of Justice . . .," observed Judge Bason, leaving open the question as to just why, at the highest levels, the U.S. Department of Justice condoned a vendetta against a small, private U.S. company.

It was November of 1987 when Judge Bason rejected a Justice Department motion to liquidate INSLAW. Not quite one month later, Judge Bason learned that he would not be reappointed to the bench. In the past four years, only four of 136 federal bankruptcy judges seeking reappointment have been turned down. Bason was replaced by

S. Martin Teel, one of the Justice Department attorneys who unsuccessfully argued the INSLAW case before him.

Bason observes that the Justice Department will now have a "third bite of the apple" on the question of punitive damages. Judge Teel has recused himself from the case, and the Justice Department is appealing. So INSLAW vs. the United States of America hangs in limbo.

The INSLAW case also left a Justice Department whistle-blower waiting for the verdict on his 21-year career. When "Barron's" began reporting the INSLAW story two weeks ago, we interviewed Tony Pasciuto. Pasciuto revealed how a Justice Department colleague responsible for paying contractors' bills said he divided them into three piles: "One pile he would pay right away, the next pile when he got around to it, and then he opened a drawer and pointed to some invoices in the drawer and said, 'These invoices may never get paid. If you're on the bad list you go in this drawer.'" INSLAW was on the bad list.

Pasciuto also repeated what he had been told by Cornelius Blackshear, a federal judge and former U.S. Trustee based in New York. Blackshear had confided that his Justice Department superior in Washington was pressuring him to send someone down to D.C. to help liquidate INSLAW. Apparently, Washington wanted to make sure that the job was done.

When INSLAW's lawyers deposed Blackshear, he confirmed the story. During INSLAW's suit, Judge Blackshear recanted. Meanwhile, about one hour after Pasciuto was subpoenaed to testify, his superiors in the Justice Department offered him a long-awaited transfer to Albany, N.Y.

Feeling scared and "out there all alone," Tony Pasciuto bought a house in Albany and changed his story. Close to tears, he recanted on the stand. Judge Bason recalls the scene: "Mr. Pasciuto seemed to be basically a very honest person who had been caught up amongst a gang of very tough people--and he just didn't know what to do."

According to Pasciuto, after he testified, Judge Blackshear met him at a party and said, "I'm sorry. . . . These people came up from Washington and the U.S. Attorney's office. I got confused. I thought that by changing my story I would hurt less people." When "Barron's" read Pasciuto's version of the conversation to Judge Blackshear, a weary-sounding Blackshear confirmed it: "I don't remember the specifics word for word. But I do remember the conversation. And I don't have any problems with what Tony

remembers."

Meanwhile, after Tony Pasciuto recanted in court, the Justice Department told him, "Sorry, the procedure was changed. No transfer to Albany." Then, B. Boykin Rose, one of the Justice Department officials who resigned last week, wrote a letter to Deputy Attorney General Arnold Burns--another member of the Justice group who bailed out--recommending that Pasciuto be fired.

When "Barron's" last talked to Pasciuto, he was commuting from the new house in Albany to a job in Washington, where he said, "I feel like I'm under house arrest." And he was awaiting the end of his 23-year career in government service.

"My boss, Thomas Stanton, can't fire me," Pasciuto explained. "The Deputy Attorney General, Arnold Burns, will fire me. How does it feel to know that the Deputy Attorney General of the United States wants to destroy a GS15? It's scary. It scares me to death." Last week, Burns led the dissidents out of the department.

Tony Pasciuto's tale is chilling. And it raises two equally disquieting questions: Why did the U.S. Department of Justice want to liquidate Bill Hamilton's software company? And, how high did the coverup of the scheme to destroy INSLAW go?

WHEN six Department of Justice officials resigned last week, department spokesmen insisted that they were NOT leaving because they feared Attorney General Edwin Meese was about to be indicted. Nor had they beaten their wives--should anyone ask. But, according to "Barron's" sources inside Justice, their exodus represents the climax to a much larger, subterranean game of musical chairs that has been going on in the Department of Justice for the past 18 months.

"I know of at least 50 or 60 career government employees who have been reassigned or forced out," says one department insider. Another charges the department with using FBI background checks in order to manufacture reasons for forcing employees to leave. "They're trying to find--or force--openings for political appointees that they want to bury as what we call 'moles' in the department," explains a longtime Justice Department hand. "They bury the moles so that the next administration can't find them."

The moles, he goes on, are political appointees who are moved into GS (government service) jobs normally held by career government employees. "It could take the next administration two years to figure out who are the career employees and who are the political

appointees dropped into their slots," he says. "In the meantime, the moles will be in place--and they'll have the historical knowledge of how the organization works--everyone else will be gone."

But even while the moles are burrowing in, the rumor among them is that sunlight is about to flood the shadowy reaches of the department. For last week's resignations suggest that Special Prosecutor James C. McKay is coming closer to addressing the question: *"Was there justice at Justice during the past four years?"*

The INSLAW affair suggests a disquieting answer, for the *virtually unpublicized case serves as a window on how Justice did business during the Meese years. In his blistering ruling, Judge Bason charged that the department committed a series of "willful, wanton and deceitful acts . . . demonstrating contempt for both the law and any principle of fair dealing."*

Originally, Bill Hamilton, INSLAW's founder, thought that only one mid-level Justice Department official was willfully and deceitfully out to get him: C. Madison "Brick" Brewer, the former employee whom he had fired. When Hamilton and his wife, Nancy, put their six children in the family station wagon and drove to a federal court on June 9, 1986, to file a suit against the United States government, they firmly believed that Brewer was their nemesis. But as the trial progressed, their certainty gave way to doubts. Why did Justice put Brewer in that critical and, under the circumstances, highly improper position--and allow him to remain? Why did the Justice Department refuse to settle? Why were the government's lawyers, seemingly not satisfied with bankrupting INSLAW, pressing so hard to liquidate the company? When the trial was finally over at the end of 1987, Bill and Nancy Hamilton had won their case, but they still wanted to know why their company was near ruin. So they followed the counsel of Elliot Richardson, one of their attorneys: They sat down at their dining room table, made a list of all the anomalies in the baffling case, and tried to puzzle out the mystery.

"These were all things we were aware of, yet until you organize them and put them side by side, you don't see them," Hamilton observes.

"But seeing the strange incidents and coincidences all together, suddenly it popped out at me. There was a coverup--and it wasn't just to protect Brick Brewer. For instance, someone had persuaded

Judge Blackshear to recant under oath within 48 hours of his original deposition. Who would have that power? You don't do that to a federal judge to protect Brick Brewer--it's too risky. That's when I became convinced then that there was criminal liability at the highest levels of the department. Then, I started to look at the pieces. And, every time I picked up a rock and turned it over, it seemed to fit."

Now, looking back five years, Bill Hamilton believes he *understands the reasons for the oppressive behavior of the Justice Department*. And he thinks he had an early warning about the department's methods. But he didn't take the warning phone call *seriously*.

As Bill Hamilton tells it, it was April of 1983, and he was sitting in his office--right across the street from the "Washington Post" --*when he received the call from Dominic Laiti, chairman of Hadron Inc.*

"Laiti identified himself, and said that Hadron intended to become the leading vendor providing software for law enforcement nationwide," Hamilton recalls. "He said they had purchased Simcon, a manufacturer of police-department software--and Acumedics, a company that provides computer-based litigation support services for courts. 'Now,' Laiti told me, 'we want to buy INSLAW.'"

"I told him he had just described our ambition," Hamilton relates. "We intended to become the major vendor of these software services ourselves--and we were not interested in being acquired."

But Laiti kept pushing, and, according to Hamilton, *boasted*, as he remembers, "We have very good political contacts in the current administration--we can get this kind of business."

The words would reverberate in Hamilton's memory later, but, at the time, he didn't heed the implicit threat. He just repeated, "We're not interested in selling," whereupon, he says, Laiti *retorted*, "*We have ways of making you sell.*"

The story sounds fantastic. Laiti calls it "ludicrous." Is Hamilton making it up? "I would think the whole tale was fantasy--*if I hadn't been involved in investigating the Iran-Contra affair,*" confides a Senate staffer now involved in an investigation of the Justice Department's software contracts. And Judge Bason states that Hamilton was a levelheaded witness with a scrupulously honest memory:

"I was particularly impressed in the last phase of the trial," Bason recalls. "Hamilton could very easily have testified

positively in a way that would have been favorable to his case--to an extent of about \$1 million. Instead, he testified, "This is my best recollection--but I am not sure." The contrast between that and the government witness who was so obviously disingenuous!"

The call from Hadron was strange, so Hamilton remembered it, but in 1987 he shrugged it off. "I politely, but firmly, cut off the conversation. I'd never had a conversation like that with someone in the software industry. I thought Hadron must be new to software--maybe they were used to an industry where this kind of talk was more prevalent."

But now, Hamilton surmises that his troubles may have begun with that phone call. Within 30 days of Linn's threat, he says, the Department of Justice mounted its attack. And, Hamilton alleges, the attack ultimately became a vendetta, a vendetta that could have been inspired by the convergence of three interests:

Hadron, the brazenly aggressive competitor controlled, from behind the scenes, by a Meese crony from his salad days in California. Dr. Earl Bason.

Brick Brewer, the embittered former employee who, as project manager, was in a strategic position to do INSLAW harm.

D. Lowell Jensen, then the deputy Attorney General, and a ghost from INSLAW's own California past. Jensen had developed a software product to compete with INSLAW and lost--back in the 1970s when Jensen was a D.A. in Alameda County. But Jensen did have the good fortune to meet Ed Meese in the D.A.'s office. So years later, Jensen became top-ranking member of the "Alameda County Mafia," which found a home in the Ed Meese Justice Department.

When Bill Hamilton sat down, in good faith, to negotiate a deal with the Justice Department, the people on the other side of the table were not dispassionate government officials. They were instead a hostile crew, inspired apparently by old scores and private interest. Whether carefully organized or spontaneously launched, the attack was successful--for a while, anyway. When the principals and the department were suddenly in danger of exposure, Hamilton charges, the cover-up spread out to embrace the Justice Department bureaucracy, the IRS, and Jensen's successor--former Deputy Attorney General Arnold Burns--one of the six who quit last week.

"They circled their wagons," Judge Bason wrote. The defense became an offense, and an attorney, a Justice Department whistleblower, and the judge himself all lost their jobs. Today, only two

of the three have found work.

Hamilton is luckier. IBM has become INSLAW's savior--rescuing the company from the auction block, and vindicating the worth of its product. Meanwhile, some Senate staffers looking into the INSLAW case believe that it raises questions about Project Eagle, a much larger scheme to computerize the Justice Department, the \$200 million contract is scheduled to be awarded before the end of the year.

The deeply troubling questions about INSLAW remain. If anything, they are magnified by last week's departures from Justice: "Why?" and, "How High?"

"Start," Bill Hamilton says, "with Hadron." For Hadron is indeed, as Laiti allegedly boasted, "well-connected in the Administration." It is controlled by Dr. Earl Brian, the longtime friend of Ed Meese who owns Financial News Network ("Barron's," Feb. 29, 1983). In fact, business dealings between the Meese family and Brian's company imperiled Meese's 1984 nomination. And Hadron, Hamilton charges, is one of the keys to the mystery of why INSLAW became the victim of rogue justice.

Hadron boasts a history replete with acquisitions, lots of government business--and brushes with the SEC.

The outfit emerged in 1979 from the ashes of Xonics, a notorious high-tech fiasco founded and headed by a colorful wheeler-dealer named Bernard Katz. "Barron's" described Xonics in 1976 as a company with a knack for "recognizing income as fast as possible and deferring expense as long as it decently could."

In 1977, the SEC brought a lawsuit against Xonics, accusing top management, including Katz, of fraud and manipulating the stock's price, in part by using Xonics stock to acquire other firms. Besieged by two shareholder suits, Xonics agreed to a permanent injunction in April of that year. The company did not admit to any wrong-doing.

But the minnow survived. In 1979, Dominic Laiti gathered a group of former Xonics executives, and bought Hadron. By 1983, the company was lauded in the press as "an investment banker's dream."

For the child had, it appeared, inherited the parent's acquisitive streak, snapping up nine companies in just three years. The offspring did run into a few SEC snags of its own, however. In 1981, the SEC ruled that the limited partnerships Hadron had set up to fund its R&D efforts were in truth a form of loan financing rather than a source of revenue. By 1982, Hadron had lost \$4.5

million and another shareholder suit was pending.

But by 1983, Dominic Laiti's group appeared to be on a roll, acquiring their way into an exciting new industry. Laiti was quoted as saying, "There's the potential for very, very rapid growth."

Unfortunately, the roll turned out to be a very, very rapid roller-coaster. By February of 1984, Hadron was announcing sale of its "money-losing laser-equipment division." In the third quarter a year earlier, Hadron had earned a penny-a-share profit, but by early 1984, it was sinking \$1.2 million into the red. Hadron's ups and downs continued: a loss of \$231,000 for the 1986 fiscal year, a profit of \$852,000 a year later--despite a 13% decline in revenues.

Since 1979, the price of Hadron's stock has followed the same pattern, swinging wildly from its high of 6 1/8 in December of 1980 to a low of 3/4 in March of 1985. In the past couple of years, the stock has been trading in a narrower range between 3/4 and 1 11/16, and an investor complains that as far as he knows, the company hasn't had a shareholders' meeting since 1983. "I'm not so much perturbed that they don't meet--I wouldn't care if they never met, if the stock were up around \$7 or \$8," this sizable holder laments.

Still, Hadron has kept bouncing back--with a little help from Uncle Sam: namely, contracts with the Pentagon, a fat settlement with the Agency for International Development and, most recently, a gigantic contract with, yes, the U.S. Department of Justice.

Hadron's government connection can be traced to Earl Brian, who was president of Konics, Hadron's parent, until October of 1977. Brian slipped away from the company discreetly, just six months after Konics rolled over and agreed to the SEC injunction. Brian was never charged with any wrongdoing; four Konics officers were required to sign the consent decree, and he was not one of them.

Obviously, Dominic Laiti led the investor group that then rescued Hadron from the ruins of Konics, but somehow Brian managed to keep his hand on the levers. Today, Laiti--the man who allegedly phoned Bill Hamilton--is Hadron's chairman, but Brian's business-development company controls four of the six seats on Hadron's board.

In March of 1983, Brian resigned from Hadron's board in order, he said at the time, "to divest himself of Hadron to facilitate future transactions" between his business-development company, Infotechnology, and Hadron "under the Investment Company Act of

1940." But by January 1984, Brian was back on Hadron's board, and, according to the 1987 annual report, he's still there, though Hadron is continuing to do deals with Infotech. In October 1987, Hadron sold Atlantic Contract Services to Infotech at book value for a combination of cash and Infotech common stock in a deal valued at roughly \$300,000.

"Brian does an awful lot of buying and selling," one disgruntled Hadron shareholder observes. "He's making money at it, but I'm not sure his shareholders are making money. I know that, as a shareholder of Hadron, I'm not making any money."

Still, in the spring of 1987 Hadron moved into the black in large part because it received \$1.6 million from the Agency for International Development. The AID settlement came after the U.S. government cancelled a Hadron subsidiary's business with Syria.

But the AID money wasn't the only lucky boon from Uncle Sam. The government has long been a Hadron client. In the 1983 fiscal year, approximately 34% of the company's revenues came from the Department of Defense. And most recently, a Hadron subsidiary, Acumedics, locked up a \$40 million contract with the Department of Justice.

Hadron never did acquire INSLAW. But there's more than one way to skin a Justice Department software contract. Last October, Hadron's Acumedics division signed the \$40 million deal to provide automated litigation-support services for Justice's Land and Natural Resources division.

When the Acumedics contract was awarded, competitors grouched that the bidding process was unfair. Justice officials respond that all bids went through a stringent review process.

"There was absolutely no pressure on me. It was one of the cleanest procurements I've been involved in," recalls Steve Denny, the contracts officer on the case.

Justice Department officials also pointed out that the \$40 million deal was essentially a continuation of a 1983 contract. Acumedics began doing business with the Justice Department in 1978 as an 8(a) minority business. In 1983, Acumedics was acquired by Hadron--and lost its 8(a) status. But even without the favored status, Hadron somehow managed to hold onto the business, and win a four-year competitive bid contract. Shortly after the acquisition, Earl Brian reappeared on the Hadron board, and, recalls a former Hadron executive, told the board, "If we needed any help in marketing at Acumedics, he had been a member of Reagan's Cabinet, he knew people--and would be willing to make phone calls." The Hadron

alumnus adds: "He was just being nice." According to *Federal Computer Week*, a trade publication: "A competitor for the 1987 contract, who declined to be named, said his company no longer bids on Justice Department contracts. He explained that, after losing the 1987 contract to Acumedics, 'We took a look at their bid compared to ours, and it was about \$1.5 million over ours.'"

Now, the size of Acumedics's newest deal with the government has raised old questions about the man behind the Hadron subsidiary, Dr. Earl Brian, and his connection to Ed Meese. A venture capitalist, and former neurosurgeon, Dr. Brian practiced medicine in Vietnam, then returned to the States, where he became health and welfare secretary in then-Gov. Reagan's California cabinet. There, he served with Ed Meese, Reagan's chief of staff until 1979. Today, Brian owns and operates Infotechnology (which controls Hadron), the Financial News Network, and, most recently, he headed up an investment group that bought the right to run United Press International.

The Brian connection became an embarrassment during Ed Meese's confirmation hearings when Meese acknowledged that his wife, Ursula, borrowed \$15,000 from a Meese adviser, Edwin Thomas, in order to buy stock in Brian's company. Coincidentally, just six months later, Brian lent \$100,000 to Thomas, who by then needed money himself--and had become a member of the White House staff. Neither Meese nor Thomas listed the loans on their financial disclosure statements. Meese paid no interest, and Thomas only partial interest. Following a six-month investigation, independent counsel concluded that there was no basis for criminal charges against Meese, and while "inferences might be drawn from Mr. Thomas's contact with Dr. Brian . . . whether Mr. Thomas or Dr. Brian committed a violation of law was not within our jurisdiction. Even if we were to make an assumption that Mr. Thomas might have been acting on insider information, we have been given no evidence by the SEC."

Bill Hamilton learned of the connection between Hadron, Brian and Meese only after the INSLOW trial ended. But then remembering what Hadron's Chairman Dominic Laiti said about being politically connected--not to mention "ways of making you sell"--Hamilton thought he glimpsed an ominous pattern.

Hamilton believes the Justice Department mounted its attack 90 days after the Hadron phone call, "with the apparent objective of forcing INSLOW either to agree to be acquired, or into bankruptcy." Earl Brian, Hamilton is convinced, would have been happy to pick up

INSLAW cheaply--at a liquidation sale.

Moreover, Hamilton has reason to believe that the No. 2 man in Justice, D. Lowell Jensen, wasn't at all disposed to save INSLAW from the auction block. For, years earlier, Jensen had competed with INSLAW's product, PROMIS, head-on. While holding public office in Alameda County, Calif., Jensen was promoting a rival software, DALITE, that he hoped would be used statewide. Jensen lost.

Jensen served as Alameda County district attorney in the early 1970s and during that time he tried to persuade other DA offices to adopt DALITE, the case-tracking software system that he helped develop. To that end, Hamilton alleges, Jensen urged the California District Attorneys Association to incorporate. By incorporating, the association would be in a position to apply for grants, receiving and administering funds needed to finance DALITE training statewide. But, Hamilton recalls, the very month that the association finally incorporated, the Los Angeles District Attorney's office, the state's largest, chose INSLAW's PROMIS software--dashing Jensen's hopes for DALITE.

Larry Donoghue, now deputy district attorney for the County of Los Angeles, remembers the keen rivalry. He was in charge of selecting software for the L.A. office at the time, and he recalls visiting Alameda County while making on-site inspections. "Jensen called me into his office and I went away feeling what I regarded to be unusual and significant pressure to select the DALITE system. But PROMIS was a more suitable system for a large office. After I made the recommendation to L.A., I remember my conversation with Joseph Busch, who was district attorney there at the time. I said, 'The whole's your reason for hesitating?' He said, 'Larry, there's resistance to my selecting PROMIS.' The resistance couldn't have come from within the L.A. office," Donoghue adds, "no one there knew anything about software. By a process of elimination, it must have come from Alameda County."

When "Barron's" attempted to reach Jensen for a reply, his office stated that, because the INSLAW case is still pending, he could not comment. But during the trial, Jensen conceded that he had been a critic of INSLAW's software. Yet, he insisted, DALITE was not a commercial product available for sale to the public, and he had no financial interest in it.

Jensen didn't own DALITE any more than Bill Hamilton owned PROMIS when he first invented it. Like DALITE, INSLAW's PROMIS began as a government product. Bill Hamilton developed it while working as a

consultant for the U.S. District Attorney's office in D.C. in 1970, and improved it while working for a not-for-profit company funded by the Justice Department. PROMIS became commercial software only after Hamilton left this last job in 1981, formed INSLAW, and raised prices funds to reform PROMIS. The software then became a proprietary, and highly profitable, product. Presumably Jensen might have had the same luck with DALITE--if PROMIS had not won the California race.

Instead, Jensen remained at his post in Alameda County for 12 years. And from 1959 until 1967, Ed Meese served with Jensen, as an Alameda deputy district attorney.

When Ronald Reagan became President, Ed Meese recommended that his former colleague, Jensen, be appointed assistant Attorney General in charge of the Criminal Division. In 1983, when Rudolph Giuliani resigned as associate Attorney General--the No. 3 spot in the department--Jensen ascended to that post.

So in early 1984, when Edwin Meese became Attorney General, his old Alameda County compatriot was already in place. And Jensen was not alone. A network, nicknamed the Alameda County Mafia, already was ensconced in Justice. No fewer than six former Alameda County law-enforcement officials held positions ranging from deputy assistant attorney in the tax division, to commissioner of naturalization and immigration. The former Oakland deputy police chief had snagged a spot as director of the National Institute of Justice.

Under Meese, Jensen rose to No. 2, and developed a reputation as a buffer between Ed Meese and his critics. The 58-year-old Democrat was described as "soft-spoken," "apologetic" and a "gentleman of the old standard" in a 1986 "New York Times" tribute, which added, "Colleagues say that Mr. Jensen, better than anyone else at the Justice Department, knows how to duck."

The Justice Department's diplomat had to duck when congressional investigators looking into the Iran-Contra affair reportedly found a Justice Department memo dated March 20, 1986, saying that Deputy Assistant Attorney General D. Lowell Jensen was giving a "heads-up" to the National Security Council, warning that Miami federal prosecutors were on Offie North's trail.

Bill Hamilton believes Jensen displayed the same talent for diplomatic bobbing and weaving throughout the INSLAW affair. When Hamilton pieced together the anomalies, he realized Jensen's rise to power occurred in the fateful spring of 1983, when he received the

call from Hadron, and all of his troubles began.

"Jensen was promoted to associate Attorney General in May or June of '83--and that's when all the contract disputes came up," Hamilton points out. Jensen exhibited a strong interest in the software contract and even served as chairman of the PROMIS oversight committee.

In December of 1983, INSLAW's counsel, Elliott Richardson, and Hamilton met with the assistant Attorney General for administration, Kevin Rooney. They expressed their concern that Brick Brewer, the project manager on the INSLAW contract, was biased against the company because Bill Hamilton had fired Brewer some years earlier. Rooney testified in a deposition that, a week later, he told Jensen's oversight committee that Richardson's proposal seemed reasonable. It appeared that the dispute could be resolved. But Rooney left the committee meeting early. After he was gone, Hamilton says, "Mr. Jensen and the other members of the committee surprisingly approved a plan to terminate the word-processing part of the INSLAW contract with the department's Executive Office for U.S. Attorneys."

In March of 1983, Hamilton alleges, Bill Tyson, formerly director of that Executive Office, told Hamilton that a Presidential appointee at Justice was biased against INSLAW. In March 1987, Tyson sent a handwritten letter to Jensen, reassuring him that he had denied this allegation under oath--and that he had not named Jensen as the appointee in question. He also sent a note to Deputy Attorney General Arnold Burns.

In a deposition, Tyson was asked:

"Did either Mr. Jensen or Mr. Burns ask you to write the letter?"

"No sir."

"Did you not realize that by writing a letter to Mr. Jensen of this type informing him of your intended testimony that he would then be able to develop his testimony to be consistent with yours?"

"That was not my intention."

"But as an attorney, you realize that is a possibility, more than a possibility?"

"Well, that was not my intention. . . ."

In his ruling last September, Judge Bason characterized portions of Tyson's testimony as "unbelievable and that the court can believe anything that the man has to say."

A month before writing the notes, Tyson was removed from his position in the Executive Office for U.S. Attorneys, and he and his

secretary were exiled to Justice's Immigration and Naturalization Service--though in positions commensurate with their grade levels.

By protesting too much, Tyson could seem to further implicate Jensen. But, the answer to "How High?" leads even higher. Ed Meese himself may have been involved in a push to force Leigh Ratiner, INSLAW's litigating attorney, off the case.

Ratiner had been a partner at Dickstein, Shapiro, & Morin for 10 years when Elliot Richardson recruited him to take on INSLAW. Dickstein, Shapiro was the law firm of Chuck Colson, of Watergate notoriety. Colson brought in its principal client, the Teamsters Union. More recently, Dickstein, Shapiro became known in the loop as Leonard Garment's firm. Garment, a former colleague of Tyson, has been described as "the only attorney in Washington who will put a senator on hold to take a call from a reporter." Garment was former White House counsel to Richard Nixon, and represented Meese during his confirmation hearings.

Meese and Garment put their heads together again after Ratiner filed a complaint in the INSLAW case that named Meese's longtime friend and deputy Attorney General, Jensen.

Ratiner, an aggressive attorney with a reputation as very bright, ego-driven, and a loner within the Dickstein, Shapiro firm, relished being viewed as a maverick. So he was displaying his usual independence when he filed the complaint that named Jensen early in October 1986. On Oct. 17, the "L.A. Times" ran a story about the INSLAW case and the former rivalry between Hamilton and Jensen. On Oct. 23, Ratiner was asked to leave the law firm. Between Oct. 12 and Oct. 23, Ed Meese talked to Garment about the case.

In a pre-trial interrogatory, Ed Meese conceded that he had a "general recollection of a conversation with Leonard Garment in which Mr. Garment mentioned that he had discussed INSLAW with Arnold Burns." Arnold Burns, the deputy Attorney General who resigned last week, replaced Jensen when Jensen left Washington to take a federal judgeship in San Francisco in the spring of 1986.

When "Barron's" asked Leonard Garment about the conversation, he emulated D. Lowell Jensen. He ducked. "I know there was a suggestion by Meese--or one of his staff--saying he met and spoke to me about INSLAW. Oh, he said it in pre-trial interrogatories? Then . . . it was a question of his recollection."

Garment was more emphatic regarding Ratiner's removal. "No one in the Justice Department or the whole U.S. government or the whole USA suggested to me that anything should be done with Ratiner. Nor do I

remember mentioning INSLAW to Meese," he continues. "Look--I met with Meese around the date he mentioned, and I discussed with him a number of business policy. I was not very much involved. . . . Meese is so tricky, but I don't have the slightest recollection. . . ."

Finally, Garment collected his recollections and summed up his position. "As I said, I don't know who said, 'I don't know who said'"

Ratiner's exit settlement with Dickstein, Shapiro bars him from discussing how and why he left. But Hamilton believes that Burns and Meese expressed disapproval at the fact that he had turned the spotlight on Jensen. After Ratiner gave up the case, the firm continued to represent INSLAW, but Hamilton feels their support waned. In January of 1987, Dickstein, Shapiro argued with Justice for \$1 million--of which about half would go to pay Dickstein, Shapiro's fees. A few days later, Hamilton switched attorneys. In September, Justice awarded INSLAW \$1.5 million--plus attorneys' fees.

During the trial, Tony Pasciuto's boss, Thomas Stanton testified on another matter which Meese might have been involved in the INSLAW case: INSLAW could besmirch the U.S. Trustee program. The U.S. Trustee's Office had been recently set up to administer bankruptcies nationwide, and it was Meese's job. Meese made the decision to take the Trustee program national--even though his predecessor, William French Smith, had planned to ditch the pilot Trustee program.

Two of Pasciuto's former colleagues in the Justice Department allege that the move to keep the U.S. Trustee program was flagrantly political. "It was a job of getting someone into office. There would be 50 or 60 positions to be filled," one asserts. Stanton, the director of the Trustee program, seemed well-protected within Justice. This summer Stanton resigned. "It was always puzzling to me how he got away with what he got away with. He'd do things that were blatantly wrong and no one would question him--it's kind of scary." Another former employee confirms, "Regardless of the law, or anything, if Stanton wanted something, he had the ear of the right people at the highest level--straight from Burns to Meese. If he would not get what he needed, he was in trouble."

Outside Justice, bankruptcy attorneys like Patrick Kavanagh, a solo practitioner in Bakersfield, Calif., worry that the Trustee program "unambiguously is much power in the government department. . . . It's supposed to act as a watchdog over lawyers and trustees, but the problem is it's more. It has a considerable amount of power

to control the administration of cases."

When a case moves from bankruptcy to liquidation, the U.S. Trustee's Office names the trustee, who converts the assets, oversees an auction, and retains appraisers who will put a price tag on the belongings.

The U.S. Trustee's program also links Justice and the IRS. "The thing that's a little frightening about it is that the U.S. Trustee department sees itself as part of the tax-collecting function of government," observes Charles Docter, the bankruptcy attorney representing INSLAW. "The Justice Department represents the IRS, and the IRS is often the biggest creditor in a liquidation.

In the INSLAW case, tax collectors seem unusually determined to see their debt paid immediately. "The IRS showed up in Bill Hamilton's office the day after the trial ended in August. Ultimately, they would demand that he personally pay the \$600,000 that INSLAW owes," says Docter. "Usually the IRS calls us before coming to see one of our clients," he notes. "We talk to them on the phone and get it straight." Hamilton doesn't have the \$600,000 in his personal savings account.

But Docter responded to the pressure by writing a letter in which INSLAW promised to pay the withholding portion of the taxes within 30 days. "Normally, the IRS would wait that long," he says. "Instead, on the 28th day, they went out and filed to convert INSLAW from Chapter 11 to Chapter 7." Once again, they were trying to liquidate INSLAW.

Lately, Docter reports, an aggressive IRS has been pursuing withholding taxes by going after the individual who owns a company; "but normally they don't go for the jugular immediately and file for a motion to liquidate."

Still on the bench, Judge Basor managed to stop the IRS push to liquidate INSLAW.

When the tax collectors filed to convert INSLAW to Chapter 7, Docter recalls having a memorable conversation with an attorney from the Justice Department's tax division. Docter chided the attorney from Justice, saying: "Look, the judge has already found that you tried to steal the software through trickery and deceit. Isn't it about time you stopped this heavy-handed stuff? Doesn't anyone in the department have enough guts to say, 'We have to start handling this like lawyers?' The whole thing is just completely sullyng the Justice Department."

Docter states that the attorney from Justice replied: "I don't

set policy around here. The Attorney General does."

And, Bill Hamilton remembers, Ed Meese approved the Justice Department bonuses awarded after the trial was over, in December of 1987. Three of the six who received bonuses were involved in the R3LAW case.

Stewart Schiffer, who directly supervised the INSLAW litigation, received \$20,000.

Michael Shanteen, head of the "Office of Professional Responsibility," \$20,000. Shanteen wrote a letter to Arnold Burns on Dec. 18 recommending that whistle-blower Pasciuto be fired for exercising "astute judgment" in telling the Hamiltons what he knew.

Lawrence McWhorter, Brick Brewer's boss, \$10,000. McWhorter, Judge Bason noted, said, "I don't recall" or "I don't know" something like 147 times in his deposition. The court found McWhorter's testimony to be "totally unbelievable."

Arnold Burns, deputy Attorney General until just last week, headed up the panel that received recommendations for Justice bonuses.

With no help from Uncle Sam, Bill Hamilton earned his own bonus. IBM has plans to enter a \$2.5 million deal with INSLAW that will bail the firm out of bankruptcy. "About \$1 million will be used for software development to integrate R3LAW's products with IBM's own database software," Hamilton says, "and \$1.5 million will be used to finance INSLAW's reorganization." Details are still being negotiated.

"IBM's law firm has drawn up a contract. We expect to have it signed in two or three weeks," Hamilton adds.

In a 1987 speech, Edwin Meese had lauded R3LAW's work on PROMIS as "one of the greatest opportunities for success in the future." It seems he was right: The IBM deal provides the clearest evidence of all of the product's continuing value.

Still, the IRS persists in demanding immediate payment—even though the pending IBM contract, not to mention the \$8 million owed by Justice, suggest that R3LAW will be able to pay its tax bill.

Charlie Docter, INSLAW's attorney, comments on the IRS posture. "The whole thing smacks of a police state. This case scares the hell out of me."

"Scary" is the word most often used by victims of the INSLAW affair. They are angry, but they also can't quite believe it happened.

That the U.S. Justice Department could engage in a vendetta that would end the career of a federal judge, bankrupt a company, force a partner out of his law firm, cause another federal judge to recant under oath and reach down and wreck the career of a 21-year government-service employee--that's the stuff of a spy novel, set, one would hope, in another country. But resignations en masse from a Department of Justice inhabited by "moles" suggest alarming facts, not diverting fiction.

Bill Hamilton's story is not based on imagination. It's based on experience, and there's considerable circumstantial evidence that he could have been the victim of a California cabal encompassing onetime members of the Reagan gubernatorial cabinet, and alumni of the Alameda County Mafia. Ed Meese belonged to both groups.

Why did INSLAW rate the attention of such a powerful group? INSLAW was, one Senate staffer suggests, the leading edge of Justice's \$200 million "Project Eagle," a plan to computerize the department's tax division, criminal division and the 94 U.S. Attorney's offices. INSLAW predates the four-year-old Project Eagle, and might well offer an easy entry to any company that wants to participate in that program. The Justice Department has taken pains to say that INSLAW is not involved in Project Eagle. But Senate staffers looking into both INSLAW and Project Eagle aren't so sure.

Project Eagle seems part of the same pattern of musical chairs: John I. Lane, a respected deputy assistant Attorney General for information technology, left last summer, and according to Government Computer News, Justice has lost its four IRM (information resources management) officials with the longest service in the past year. When Lane left, Justice reorganized its computer operations and created a new position, naming Stephen R. Colgate, who had been director of the Treasury Department's Office of Finance, to head Project Eagle.

Asked about his priorities, Colgate was quoted in the trade publication as saying that, for the leadership of the department, "Eagle is the No. 1 priority. Eagle is the technology legacy that this Administration wants to leave behind."

A member of Sen. Christopher Dodd's staff who has been looking into the INSLAW case for more than a year takes a more cynical view:

"If you wanted to wire [fix] something, this would be the project," he confides. "It's been anticipated for a long time. And, it's a lot of money. So, if you wanted to wire something . . .

These days, however, it's unlikely anyone at Justice wants wire anything. Today, there's a new agenda: Everyone is either

urgent desire to tidy up.

Justice had announced its intention to fire Tony Pasciuto two months ago. But in the end, just a week before Deputy AG Arthur Burns resigned, he agreed to meet with Pasciuto's attorney, Gary Simpson, to hear Pasciuto's side of the case.

Five or six officials from Justice were in the room, another three or four--including one who had recommended firing Pasciuto--waited nervously in the hallway outside.

"I was not a rebel," Simpson says, who is normally matter-of-fact. "It was something else. I was accusing them of all sorts of things, and no one stopped me."

Pasciuto ultimately proposed a peaceful solution: Pasciuto should walk away, go work somewhere else, and they'd acknowledge he had been a good employee.

During the meeting, Simpson did most of the talking. "Dante was really taking it on the chin," he recalls. "He jerked back a couple of times, but he didn't say anything. More than once, he nodded assent. When I stated that Shakespeare had remarked, he nodded again. And," Simpson concludes, "Burns didn't look like he was hearing any of it for the first time."

Where Are They Now?

LEIGH RATNER has left the practice of law. The man who once negotiated the Law of the Sea treaty for the U.S. government now runs his own law firm, LSI Enterprises, a maker of training programs for lawyers.

JUDGE BASON, who was denied reappointment as a federal bankruptcy judge, is still unemployed, and looking for work. Judge Bason has no regrets, though he concedes he does not relish controversy. Indeed Judge Bason tried to have himself taken off the INSLAW case when it came up. "I talked to the chief justice of the District Court and said, 'This has the potential of becoming a very hot potato.' I wasn't sure I wanted to get involved in it." George Bason is not, by appointment, a fighter.

"My wife tells me I'm very stubborn," the 56-year-old former law

professor confesses. "It takes me a long time to make up my mind about things and I tend to reserve judgment until I know as much as I can. But when I make up my mind, I'm very firm. To a very aggressive person I may give the impression of being a pushover, and when I prove not to be one, such people can be very angry."

TONY PASCIUTO is luckier. He has been offered a good job at a large financial firm based in New York. If he takes it, he'll be making a lateral move from Justice into the private sector. Meanwhile, his attorney, Gary Simpson, awaits final word on Pasciuto's honorable discharge from the department. The papers are scheduled to be signed today.

if you've made it to the end of these 2 articles, you understand that there are a lot of questions Ms. Mahar leaves open-ended since, during the spring of 1988 when she wrote this, many aspects of this situation were still grinding on and had not achieved the clarity now more evident, obviously, 3 and a half years later, and a great deal more known about this story, there is much that Ms. Mahar was only able to intimate for lack of more concrete evidence that has since become available. if any of you are interested in following up on any of the points raised in these 2 articles, i'd like to suggest at least a couple of obvious starting points. Maggie Mahar writes that

Bason questions the failure of high Justice Department officials to take any action to investigate serious allegations of misconduct.

and alludes to the Senate Permanent Subcommittee on Investigations, chaired at that time by Sam Nunn.

The Senate's Permanent Subcommittee on Investigations is now looking into IR32AW--a sign that the lawmakers, too, think that the whole story of the "something strange" that happened in the Justice Department has yet to be told. . . . At the end of the week, that committee met with Bason, as well? Senator Nunn's committee may find some answers--and ask more questions--that will illuminate this bizarre story.

why not call up Senator Nunn's office and ask "what happened?" "what did

you find out? what did you conclude? is there a report you can send me?"

Sen. Christopher Dodd's staff has been looking

A member of Sen. Christopher Dodd's staff . . . has been looking

to see if the member she alludes to is still there or ever wrote up a

report of this situation

--

your friendly neighborhood ratman

yer friendly neighborhood ratman

KOYAANISQATSI

in turmoil. 3. life out of balance. 4. life disintegrating.

5. a state of life that calls for another way of living.

Date: Thu, 10 Oct 1991 17:42:30 CDT
Reply-To: dave 'who can do? ratmandu!' ratcliffe
<dave@ratmandu.corp.sgi.com>
Sender: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
From: dave 'who can do? ratmandu!' ratcliffe
<dave@ratmandu.corp.sgi.com>
Subject: the INSLAW Case: part II of "BARRON'S" 1988 2-part piece

Subject: the INSLAW Case: part II of "BARRON'S" 1988 2-part piece
Keywords: U.S. Department of Justice != "with liberty and justice for all"
Lines: 877

although these 2 articles are dated by more than 3 1/2 succeeding years-worth of newer revelations and mounting evidence of cynical corruption at the highest levels of the executive branch, as well as linkages into the judicial branch of the u.s. government, they still provide very useful and well-researched background material.

That the U.S. Justice Department could engage in a vendetta that would end the career of a federal judge, bankrupt a company, force a partner out of his law firm, cause another federal judge to recant under oath and reach down and wreck the career of a 21-year government-service employee--that's the stuff of a spy novel, set, one would hope, in another country. But resignations en masse from a Department of Justice inhabited by "moles" suggest alarming facts, not diverting fiction.

Conclusion of a 2-part piece which appeared in the April 4, 1988 issue of
"BARRON'S NATIONAL BUSINESS AND FINANCIAL WEEKLY"

This part was the cover story with the following title emblazoned above the seal of the United States Department of Justice:

Rogue Justice: Who and What
Were Behind The Vendetta Against INSLAW?

Rogue Justice

What Really Sparked the Vendetta Against INSLAW By MAGGIE MAHAR

TWO weeks ago, "Barron's" told the story of INSLAW, a small software company that landed a \$10 million contract with the Justice Department in 1982. Bill Hamilton, INSLAW'S 42-year-old founder was jubilant when Justice bought the Prosecutor's Management Information System (PROMIS), which he had spent his life--and his life's savings--building. But then things took a mysterious and nasty turn. Justice began withholding payments. Contract disputes multiplied. Threats accelerated. Bill Hamilton couldn't understand what was happening or why. But he knew INSLAW's cash flow was shriveling. By 1985, INSLAW was in financial shambles, and Bill Hamilton ended up in federal bankruptcy court. And there, last fall, a federal bankruptcy judge handed down an astonishing ruling.

Judge George Bason found that the Justice Department had purposefully propelled INSLAW into bankruptcy in an effort to steal its PROMIS software through "trickery, deceit and fraud." On Feb. 2, 1988, Bason ordered the Department of Justice to pay INSLAW about \$6.8 million in licensing fees and roughly \$1 million in legal costs. He postponed a decision on punitive damages--which could run as high as \$25 million.

Trial testimony revealed an unexplained series of "coincidences" surrounding the INSLAW case, including the fact that Justice appointed C. Madison "Brick" Brewer to oversee the INSLAW contract. Brick Brewer had worked for Hamilton--until Hamilton fired him in May 1976. After listening to Brewer's testimony, Judge Bason wrote that he could not understand why Justice picked a man "consumed by hatred" to administer the contract with a former employer. He also couldn't fathom why top department officials ignored complaints from INSLAW attorneys when Brewer began withholding payments. "A very strange thing happened at the Department of Justice . . .," observed Judge Bason, leaving open the question as to just why, at the highest levels, the U.S. Department of Justice condoned a vendetta against a small, private U.S. company.

It was November of 1987 when Judge Bason rejected a Justice Department motion to liquidate INSLAW. Not quite one month later, Judge Bason learned that he would not be reappointed to the bench. In the past four years, only four of 136 federal bankruptcy judges seeking reappointment have been turned down. Bason was replaced by

S. Martin Teel, one of the Justice Department attorneys who unsuccessfully argued the INSLAW case before him.

Bason observes that the Justice Department will now have a "third bite of the apple" on the question of punitive damages. Judge Teel has recused himself from the case, and the Justice Department is appealing. So INSLAW vs. the United States of America hangs in limbo.

The INSLAW case also left a Justice Department whistle-blower waiting for the verdict on his 21-year career. When "Barron's" began reporting the INSLAW story two weeks ago, we interviewed Tony Pasciuto. Pasciuto revealed how a Justice Department colleague responsible for paying contractors' bills said he divided them into three piles: "One pile he would pay right away, the next pile when he got around to it, and then he opened a drawer and pointed to some invoices in the drawer and said, 'These invoices may never get paid. If you're on the bad list you go in this drawer.'" INSLAW was on the bad list.

Pasciuto also repeated what he had been told by Cornelius Blackshear, a federal judge and former U.S. Trustee based in New York. Blackshear had confided that his Justice Department superior in Washington was pressuring him to send someone down to D.C. to help liquidate INSLAW. Apparently, Washington wanted to make sure that the job was done.

When INSLAW's lawyers deposed Blackshear, he confirmed the story. During INSLAW's suit, Judge Blackshear recanted. Meanwhile, about one hour after Pasciuto was subpoenaed to testify, his superiors in the Justice Department offered him a long-awaited transfer to Albany, N.Y.

Feeling scared and "out there all alone," Tony Pasciuto bought a house in Albany and changed his story. Close to tears, he recanted on the stand. Judge Bason recalls the scene: "Mr. Pasciuto seemed to be basically a very honest person who had been caught up amongst a gang of very tough people--and he just didn't know what to do."

According to Pasciuto, after he testified, Judge Blackshear met him at a party and said, "I'm sorry. . . . These people came up from Washington and the U.S. Attorney's office. I got confused. I thought that by changing my story I would hurt less people." When "Barron's" read Pasciuto's version of the conversation to Judge Blackshear, a weary-sounding Blackshear confirmed it: "I don't remember the specifics word for word. But I do remember the conversation. And I don't have any problems with what Tony

remembers."

Meanwhile, after Tony Pasciuto recanted in court, the Justice Department told him, "Sorry, the procedure was changed. No transfer to Albany." Then, B. Boykin Rose, one of the Justice Department officials who resigned last week, wrote a letter to Deputy Attorney General Arnold Burns--another member of the Justice group who bailed out--recommending that Pasciuto be fired.

When "Barron's" last talked to Pasciuto, he was commuting from the new house in Albany to a job in Washington, where he said, "I feel like I'm under house arrest." And he was awaiting the end of his 21-year career in government service.

"My boss, Thomas Stanton, can't fire me," Pasciuto explained. "The Deputy Attorney General, Arnold Burns, will fire me. How does it feel to know that the Deputy Attorney General of the United States wants to destroy a GS15? It's scary. It scares me to death." Last week, Burns led the dissidents out of the department.

Tony Pasciuto's tale is chilling. And it raises two equally disquieting questions: Why did the U.S. Department of Justice want to liquidate Bill Hamilton's software company? And, how high did the coverup of the scheme to destroy INSLAW go?

WHEN six Department of Justice officials resigned last week, department spokesmen insisted that they were NOT leaving because they feared Attorney General Edwin Meese was about to be indicted. Nor had they beaten their wives--should anyone ask. But, according to "Barron's" sources inside Justice, their exodus represents the climax to a much larger, subterranean game of musical chairs that has been going on in the Department of Justice for the past 18 months.

"I know of at least 50 or 60 career government employees who have been reassigned or forced out," says one department insider. Another charges the department with using FBI background checks in order to manufacture reasons for forcing employees to leave. "They're trying to find--or force--openings for political appointees that they want to bury as what we call 'moles' in the department," explains a longtime Justice Department hand. "They bury the moles so that the next administration can't find them."

The moles, he goes on, are political appointees who are moved into GS (government service) jobs normally held by career government employees. "It could take the next administration two years to figure out who are the career employees and who are the political

appointees dropped into their slots," he says. "In the meantime, the moles will be in place--and they'll have the historical knowledge of how the organization works--everyone else will be gone."

But even while the moles are burrowing in, the rumor among them is that sunlight is about to flood the shadowy reaches of the department. For last week's resignations suggest that Special Prosecutor James C. McKay is coming closer to addressing the question: "Was there justice at Justice during the past four years?"

The INSLAW affair suggests a disquieting answer, for the virtually unpublicized case serves as a window on how Justice did business during the Meese years. In his blistering ruling, Judge Bason charged that the department committed a series of "willful, wanton and deceitful acts . . . demonstrating contempt for both the law and any principle of fair dealing."

Originally, Bill Hamilton, INSLAW's founder, thought that only one mid-level Justice Department official was willfully and deceitfully out to get him: C. Madison "Brick" Brewer, the former employee whom he had fired. When Hamilton and his wife, Nancy, put their six children in the family station wagon and drove to a federal court on June 9, 1986, to file a suit against the United States government, they firmly believed that Brewer was their nemesis. But as the trial progressed, their certainty gave way to doubts. Why did Justice put Brewer in that critical and, under the circumstances, highly improper position--and allow him to remain? Why did the Justice Department refuse to settle? Why were the government's lawyers, seemingly not satisfied with bankrupting INSLAW, pressing so hard to liquidate the company? When the trial was finally over at the end of 1987, Bill and Nancy Hamilton had won their case, but they still wanted to know why their company was near ruin. So they followed the counsel of Elliot Richardson, one of their attorneys: They sat down at their dining room table, made a list of all the anomalies in the baffling case, and tried to puzzle out the mystery.

"These were all things we were aware of, yet until you organize them and put them side by side, you don't see them," Hamilton observes.

"But seeing the strange incidents and coincidences all together, suddenly it popped out at me. There was a coverup--and it wasn't just to protect Brick Brewer. For instance, someone had persuaded

Judge Blackshear to recant under oath within 48 hours of his original deposition. Who would have that power? You don't do that to a federal judge to protect Brick Brewer--it's too risky. That's when I became convinced then that there was criminal liability at the highest levels of the department. Then, I started to look at the pieces. And, every time I picked up a rock and turned it over, it seemed to fit."

Now, looking back five years, Bill Hamilton believes he understands the reasons for the oppressive behavior of the Justice Department. And he thinks he had an early warning about the department's methods. But he didn't take the warning phone call seriously.

As Bill Hamilton tells it, it was April of 1983, and he was sitting in his office--right across the street from the "Washington Post"--when he received the call from Dominic Laiti, chairman of Hadron Inc.

"Laiti identified himself, and said that Hadron intended to become the leading vendor providing software for law enforcement nationwide," Hamilton recalls. "He said they had purchased Simcon, a manufacturer of police-department software--and Acumedics, a company that provides computer-based litigation support services for courts. 'Now,' Laiti told me, 'we want to buy INSLAW.'"

"I told him he had just described our ambition," Hamilton relates. "We intended to become the major vendor of these software services ourselves--and we were not interested in being acquired."

But Laiti kept pushing, and, according to Hamilton, boasted, as he remembers, "We have very good political contacts in the current administration--we can get this kind of business."

The words would reverberate in Hamilton's memory later, but, at the time, he didn't heed the implicit threat. He just repeated, "We're not interested in selling," whereupon, he says, Laiti retorted, "We have ways of making you sell."

The story sounds fantastic. Laiti calls it "ludicrous." Is Hamilton making it up? "I would think the whole tale was fantasy--if I hadn't been involved in investigating the Iran-Contra affair," confides a Senate staffer now involved in an investigation of the Justice Department's software contracts. And Judge Bason states that Hamilton was a levelheaded witness with a scrupulously honest memory:

"I was particularly impressed in the last phase of the trial," Bason recalls. "Hamilton could very easily have testified

positively in a way that would have been favorable to his case--to an extent of about \$1 million. Instead, he testified, 'This is my best recollection--but I am not sure.' The contrast between that and the government witness who was so obviously disingenuous!"

The call from Hadron was strange, so Hamilton remembered it, but in 1983 he shrugged it off. "I politely, but firmly, cut off the conversation. I'd never had a conversation like that with someone in the software industry. I thought Hadron must be new to software--maybe they were used to an industry where this kind of talk was more prevalent."

But now, Hamilton surmises that his troubles may have begun with that phone call. Within 90 days of Laiti's threat, he says, the Department of Justice mounted its attack. And, Hamilton alleges, the attack ultimately became a vendetta, a vendetta that could have been inspired by the convergence of three interests:

Hadron, the brazenly aggressive competitor controlled, from behind the scenes, by a Meese crony from his salad days in California: Dr. Earl Brian.

Brick Brewer, the embittered former employee who, as project manager, was in a strategic position to do INSLAW harm.

D. Lowell Jensen, then the deputy Attorney General, and a ghost from INSLAW's own California past. Jensen had developed a software product to compete with INSLAW and lost--back in the 1970s when Jensen was a D.A. in Alameda County. But Jensen did have the good fortune to meet Ed Meese in the D.A.'s office. So years later, Jensen became top-ranking member of the "Alameda County Mafia," which found a home in the Ed Meese Justice Department.

When Bill Hamilton sat down, in good faith, to negotiate a deal with the Justice Department, the people on the other side of the table were not dispassionate government officials. They were instead a hostile crew, inspired apparently by old scores and private interest. Whether carefully organized or spontaneously launched, the attack was successful--for a while, anyway. When the principals and the department were suddenly in danger of exposure, Hamilton charges, the cover-up spread out to embrace the Justice Department bureaucracy, the IRS, and Jensen's successor--former Deputy Attorney General Arnold Burns--one of the six who quit last week.

"They circled their wagons," Judge Bason wrote. The defense became an offense, and an attorney, a Justice Department whistleblower, and the judge himself all lost their jobs. Today, only two

of the three have found work.

Hamilton is luckier. IBM has become INSLAW's savior--rescuing the company from the auction block, and vindicating the worth of its product. Meanwhile, some Senate staffers looking into the INSLAW case believe that it raises questions about Project Eagle, a much larger scheme to computerize the Justice Department, the \$200 million contract is scheduled to be awarded before the end of the year.

The deeply troubling questions about INSLAW remain. If anything, they are magnified by last week's departures from Justice: "Why?" and, "How High?"

"Start," Bill Hamilton says, "with Hadron." For Hadron is indeed, as Laiti allegedly boasted, "well-connected in the Administration." It is controlled by Dr. Earl Brian, the longtime friend of Ed Meese who owns Financial News Network ("Barron's," Feb. 29, 1988). In fact, business dealings between the Meese family and Brian's company imperiled Meese's 1984 nomination. And Hadron, Hamilton charges, is one of the keys to the mystery of why INSLAW became the victim of rogue justice.

Hadron boasts a history replete with acquisitions, lots of government business--and brushes with the SEC.

The outfit emerged in 1979 from the ashes of Xonics, a notorious high-tech fiasco founded and headed by a colorful wheeler-dealer named Bernard Katz. "Barron's" described Xonics in 1976 as a company with a knack for "recognizing income as fast as possible and deferring expense as long as it decently could."

In 1977, the SEC brought a lawsuit against Xonics, accusing top management, including Katz, of fraud and manipulating the stock's price, in part by using Xonics stock to acquire other firms. Besieged by two shareholder suits, Xonics agreed to a permanent injunction in April of that year. The company did not admit to any wrong-doing.

But the nimble survived. In 1979, Dominic Laiti gathered a group of former Xonics executives, and bought Hadron. By 1983, the company was lauded in the press as "an investment banker's dream."

For the child had, it appeared, inherited the parent's acquisitive streak, snapping up nine companies in just three years. The offspring did run into a few SEC snags of its own, however. In 1981, the SEC ruled that the limited partnerships Hadron had set up to fund its R&D efforts were in truth a form of loan financing rather than a source of revenue. By 1982, Hadron had lost \$4.5

million and another shareholder suit was pending.

But by 1983, Dominic Laiti's group appeared to be on a roll, acquiring their way into an exciting new industry: lasers. Laiti was quoted as saying, "There's the potential for very, very rapid growth."

Unfortunately, the roll turned out to be a very, very rapid roller-coaster. By February of 1984, Hadron was announcing sale of its "money-losing laser-equipment division." In the third quarter a year earlier, Hadron had earned a penny-a-share profit, but by early 1984, it was sinking \$1.2 million into the red. Hadron's ups and downs continued: a loss of \$231,000 for the 1986 fiscal year, a profit of \$852,000 a year later--despite a 13% decline in revenues.

Since 1979, the price of Hadron's stock has followed the same pattern, swinging wildly from its high of 6 1/8 in December of 1980 to a low of 3/4 in March of 1985. In the past couple of years, the stock has been trading in a narrower range between 3/4 and 1 11/16, and an investor complains that as far as he knows, the company hasn't had a shareholders' meeting since 1983. "I'm not so much perturbed that they don't meet--I wouldn't care if they never met, if the the stock were up around \$5 or \$6," this sizable holder laments.

Still, Hadron has kept bouncing back--with a little help from Uncle Sam: namely, contracts with the Pentagon, a fat settlement with the Agency for International Development and, most recently, a gigantic contract with, yes, the U.S. Department of Justice.

Hadron's government connection can be traced to Earl Brian, who was president of Xonics, Hadron's parent, until October of 1977. Brian slipped away from the company discreetly, just six months after Xonics rolled over and agreed to the SEC injunction. Brian was never charged with any wrongdoing; four Xonics officers were required to sign the consent decree, and he was not one of them.

Ostensibly, Dominic Laiti led the investor group that then rescued Hadron from the ruins of Xonics, but somehow Brian managed to keep his hand on the levers. Today, Laiti--the man who allegedly phoned Bill Hamilton--is Hadron's chairman, but Brian's business-development company controls four of the six seats on Hadron's board.

In March of 1981, Brian resigned from Hadron's board in order, he said at the time, "to divest himself of Hadron to facilitate future transactions" between his business-development company, Infotechnology, and Hadron "under the Investment Company Act of

1940." But by January 1984, Brian was back on Hadron's board, and, according to the 1987 annual report, he's still there, though Hadron is continuing to do deals with Infotech. In October 1987, Hadron sold Atlantic Contract Services to Infotech at book value for a combination of cash and Infotech common stock in a deal valued at roughly \$300,000.

"Brian does an awful lot of buying and selling," the disgruntled Hadron shareholder observes. "He's making money at it, but I'm not sure his shareholders are making money. I know that, as a shareholder of Hadron, I'm not making any money."

Still, in the spring of 1987 Hadron moved into the black in large part because it received \$1.6 million from the Agency for International Development. The AID settlement came after the U.S. government cancelled a Hadron subsidiary's business with Syria.

But the AID money wasn't the only lucky boon from Uncle Sam. The government has long been a Hadron client: In the 1987 fiscal year, approximately 34% of the company's revenues came from the Department of Defense. And most recently, a Hadron subsidiary, Acumedics, locked up a \$40 million contract with the Department of Justice.

Hadron never did acquire INSLAW. But there's more than one way to skin a Justice Department software contract. Last October, Hadron's Acumedics division signed the \$40 million deal to provide automated litigation-support services for Justice's Land and Natural Resources division.

When the Acumedics contract was awarded, competitors grouched that the bidding process was unfair. Justice officials respond that all bids went through a stringent review process.

"There was absolutely no pressure on me. It was one of the cleanest procurements I've been involved in," recalls Steve Denny, the contracts officer on the case.

Justice Department officials also pointed out that the \$40 million deal was essentially a continuation of a 1983 contract. Acumedics began doing business with the Justice Department in 1970 as an 8(a) minority business. In 1983, Acumedics was acquired by Hadron--and lost its 8(a) status. But even without the favored status, Hadron somehow managed to hold onto the business, and win a four-year competitive bid contract. Shortly after the acquisition, Earl Brian reappeared on the Hadron board, and, recalls a former Hadron executive, told the board, "If we needed any help in marketing at Acumedics, he had been a member of Reagan's Cabinet, he knew people--and would be willing to make phone calls." The Hadron

alumnus adds: "He was just being nice." According to Federal Computer Week, a trade publication: "A competitor for the 1983 contract, who declined to be named, said his company no longer bids on Justice Department contracts. He explained that, after losing the 1983 contract to Acumedics, 'We took a look at their bid compared to ours, and it was about \$1.5 million over ours.'"

Now, the size of Acumedics's newest deal with the government has raised old questions about the man behind the Hadron subsidiary, Dr. Earl Brian, and his connection to Ed Meese. A venture capitalist, and former neurosurgeon, Dr. Brian practiced medicine in Vietnam, then returned to the States, where he became health and welfare secretary in then-Gov. Reagan's California cabinet. There, he served with Ed Meese, Reagan's chief of staff until 1979. Today, Brian owns and oversees Infotechnology (which controls Hadron), the Financial News Network, and, most recently, he headed up an investment group that bought the right to run United Press International.

The Brian connection became an embarrassment during Ed Meese's confirmation hearings when Meese acknowledged that his wife, Ursula, borrowed \$15,000 from a Meese adviser, Edwin Thomas, in order to buy stock in Brian's company. Coincidentally, just six months later, Brian lent \$100,000 to Thomas, who by then needed money himself--and had become a member of the White House staff. Neither Meese nor Thomas listed the loans on their financial disclosure statements. Meese paid no interest, and Thomas only partial interest. Following a six-month investigation, independent counsel concluded that there was no basis for criminal charges against Meese, and while "inferences might be drawn from Mr. Thomas's contact with Dr. Brian . . . whether Mr. Thomas or Dr. Brian committed a violation of law was not within our jurisdiction. Even if we were to make an assumption that Mr. Thomas might have been acting on insider information, we have been given no evidence by the SEC."

Bill Hamilton learned of the connection between Hadron, Brian and Meese only after the INSLAW trial ended. But then remembering what Hadron's Chairman Dominic Laiti said about being politically connected--not to mention "ways of making you sell"--Hamilton thought he glimpsed an ominous pattern.

Hamilton believes the Justice Department mounted its attack 90 days after the Hadron phone call, "with the apparent objective of forcing INSLAW either to agree to be acquired, or into bankruptcy." Earl Brian, Hamilton is convinced, would have been happy to pick up

INSLAW cheaply--at a liquidation sale.

Moreover, Hamilton has reason to believe that the No. 2 man in Justice, D. Lowell Jensen, wasn't at all disposed to save INSLAW from the auction block. For, years earlier, Jensen had competed with INSLAW's product, PROMIS, head-on. While holding public office in Alameda County, Calif., Jensen was promoting a rival software, DALITE, that he hoped would be used statewide. Jensen lost.

Jensen served as Alameda County district attorney in the early 1970s and during that time he tried to persuade other DA offices to adopt DALITE, the case-tracking software system that he helped develop. To that end, Hamilton alleges, Jensen urged the California District Attorneys Association to incorporate. By incorporating, the association would be in a position to apply for grants, receiving and administering funds needed to finance DALITE training statewide. But, Hamilton recalls, the very month that the association finally incorporated, the Los Angeles District Attorney's office, the state's largest, chose INSLAW's PROMIS software--dashing Jensen's hopes for DALITE.

Larry Donoghue, now deputy district attorney for the County of Los Angeles, remembers the keen rivalry. He was in charge of selecting software for the L.A. office at the time, and he recalls visiting Alameda County while making on-site inspections: "Jensen called me into his office and I went away feeling what I regarded to be unusual and significant pressure to select the DALITE system. But PROMIS was a more suitable system for a large office. After I made the recommendation to L.A., I remember my conversation with Joseph Busch, who was district attorney there at the time. I said, 'Joe what's your reason for hesitating?' He said, 'Larry, there is resistance to my selecting PROMIS.' The resistance couldn't have come from within the L.A. office," Donoghue adds, "no one there knew anything about software. By a process of elimination, it must have come from Alameda County."

When "Barron's" attempted to reach Jensen for a reply, his office stated that, because the INSLAW case is still pending, he could not comment. But during the trial, Jensen conceded that he had been a critic of INSLAW's software. Yet, he insisted, DALITE was not a commercial product available for sale to the public, and he had no financial interest in it.

Jensen didn't own DALITE any more than Bill Hamilton owned PROMIS when he first invented it. Like DALITE, INSLAW's PROMIS began as a government product. Bill Hamilton developed it while working as a

consultant for the U.S. District Attorney's office in D.C. in 1970, and improved it while working for a not-for-profit company funded by the Justice Department. PROMIS became commercial software only after Hamilton left this last job in 1981, formed INSLAW, and raised private funds to refine PROMIS. The software then became a proprietary, and highly profitable, product. Presumably Jensen might have had the same luck with DALITE--if PROMIS had not won the California race.

Instead, Jensen remained at his post in Alameda County for 12 years. And from 1959 until 1967, Ed Meese served with Jensen, as an Alameda deputy district attorney.

When Ronald Reagan became President, Ed Meese recommended that his former colleague, Jensen, be appointed assistant Attorney General in charge of the Criminal Division. In 1983, when Rudolph Giuliani resigned as associate Attorney General--the No. 3 spot in the department--Jensen ascended to that post.

So in early 1984, when Edwin Meese became Attorney General, his old Alameda County compatriot was already in place. And Jensen was not alone. A network, nicknamed the Alameda County Mafia, already was ensconced in Justice. No fewer than six former Alameda County law-enforcement officials held positions ranging from deputy assistant attorney in the tax division, to commissioner of naturalization and immigration. The former Oakland deputy police chief had snagged a spot as director of the National Institute of Justice.

Under Meese, Jensen rose to No. 2, and developed a reputation as a buffer between Ed Meese and his critics. The 58-year-old Democrat was described as "soft-spoken" "apolitical" and a "gentleman of the old standard" in a 1986 "New York Times" tribute, which added, "Colleagues say that Mr. Jensen, better than anyone else at the Justice Department, knows how to duck."

The Justice Department's diplomat had to duck when congressional investigators looking into the Iran-Contra affair reportedly found a Justice Department memo dated March 20, 1986, saying that Deputy Assistant Attorney General D. Lowell Jensen was giving a "heads-up" to the National Security Council, warning that Miami federal prosecutors were on Ollie North's trail.

Bill Hamilton believes Jensen displayed the same talent for diplomatic bobbing and weaving throughout the INSLAW affair. When Hamilton pieced together the anomalies, he realized Jensen's rise to power occurred in the fateful spring of 1983, when he received the

call from Hadron, and all of his troubles began.

"Jensen was promoted to associate Attorney General in May or June of '83--and that's when all the contract disputes came up," Hamilton points out. Jensen exhibited a strong interest in the software contract and even served as chairman of the PROMIS oversight committee.

In December of 1983, INSLAW's counsel, Elliott Richardson, and Hamilton met with the assistant Attorney General for administration, Kevin Rooney. They expressed their concern that Brick Brewer, the project manager on the INSLAW contract, was biased against the company because Bill Hamilton had fired Brewer some years earlier. Rooney testified in a deposition that, a week later, he told Jensen's oversight committee that Richardson's proposal seemed reasonable. It appeared that the dispute could be resolved. But Rooney left the committee meeting early. After he was gone, Hamilton says, "Mr. Jensen and the other members of the committee surprisingly approved a plan to terminate the word-processing part of the INSLAW contract with the department's Executive Office for U.S. Attorneys."

In March of 1983, Hamilton alleges, Bill Tyson, formerly director of that Executive Office, told Hamilton that a Presidential appointee at Justice was biased against INSLAW. In March 1987, Tyson sent a handwritten letter to Jensen, reassuring him that he had denied this allegation under oath--and that he had not named Jensen as the appointee in question. He also sent a note to Deputy Attorney General Arnold Burns.

In a deposition, Tyson was asked:

"Did either Mr. Jensen or Mr. Burns ask you to write the letter?"

"No sir."

"Did you not realize that by writing a letter to Mr. Jensen of this type informing him of your intended testimony that he would then be able to develop his testimony to be consistent with yours?"

"That was not my intention."

"But as an attorney, you realize that is a possibility, more than a possibility?"

"Well, that was not my intention. . . ."

In his ruling last September, Judge Bason characterized portions of Tyson's testimony as "so ludicrous that there is no way I can believe anything that the man has to say."

A month before writing the notes, Tyson was removed from his position in the Executive Office for U.S. Attorneys, and he and his

to Dr. James Frost in the West Virginia Medical Examiner's office. Frost said he would conduct an autopsy on Wednesday.

"I told him the whole method of death even if he were going to commit suicide I'm not going to say he never would. You never say that. Anybody could,"

Tony Casolaro continued.

"But I said, if you look at the person, if you look at how enthusiastic he was, and if you look at the method of dying -- Danny didn't like needles. He was supposed to have a treadmill done about a year ago: he got there and they told him they wanted to do a stress Valium test, where they put a needle in his arm. He said, 'Forget it.' and left. My partner was really mad at him. He said, 'You're not going to put any needles in my arm.'"

"And Frost said, 'Well, you know, that is kind of curious. We'll go ahead and do the autopsy and we'll see.'"

"[Then {later}] he said to me, 'You know, he's been embalmed.' This was Monday afternoon. I said, 'What? You're kidding. How did that happen?' He said, 'I don't know.' I said, 'Is that something that's standard?' He said, 'No. It's quite atypical. It's against the law, in fact. Weren't you asked?' I said, 'No.' [He said], 'Well, then, I don't quite know. Maybe Ms. Brining authorized it. [Brining said she released the body to the funeral home because she regarded it as a suicide.] But really, they're supposed to notify the family first.' I said, 'Well, I can guarantee you nobody asked us.' I said, 'Doesn't that impede your autopsy?' 'Well,' he said, 'it makes it more difficult.' Those were his exact words."

(to be continued)

THE VILLAGE VOICE
36 Cooper Square
New York, NY 10003

* * * * *

On October 22, 1991, Robert Knight, the host of UNDERCURRENTS, conducted an interview, which was broadcast over WBAI-FM (99.5) in New York City, with the Nixon Administration's U.S. Attorney General, Elliot Richardson. Richardson will always be remembered in history as the man who, when ordered by Nixon to fire Watergate Special Prosecutor Archibald Cox -- which was a reprehensible attempt to hinder justice and misuse presidential powers -- refused to fire Cox and, instead, resigned in protest.

Well, ironically, Elliot Richardson is now the legal representative of the Inslaw Software Company. And in this interview, he said that Attorney General Thornburgh never even answered his letter requesting a special investigation, headed by an independent special prosecutor with no ties of any sort to Administration circles. Richardson went on to say that two particularly suspicious details in the Casolaro murder, among others, make it more likely that Casolaro was murdered than that he committed suicide:

50

secretary were exiled to Justice's Immigration and Naturalization Service--though in positions commensurate with their grade levels.

By protesting too much, Tyson could seem to further implicate Jensen. But, the answer to "How High?" leads even higher. Ed Meese himself may have been involved in a push to force Leigh Ratiner, INSLAW's litigating attorney, off the case.

Ratiner had been a partner at Dickstein, Shapiro, & Morin for 10 years when Elliot Richardson recruited him to take on INSLAW. Dickstein, Shapiro was the law firm of Chuck Colson, of Watergate notoriety. Colson brought in its principal client, the Teamsters Union. More recently, Dickstein, Shapiro became known in the loop as Leonard Garment's firm. Garment, a former colleague says, has been described as "the only attorney in Washington who will put a senator on hold to take a call from a reporter." Garment was former White House counsel to Richard Nixon, and represented Meese during his confirmation hearings.

Meese and Garment put their heads together again after Ratiner filed a complaint in the INSLAW case that named Meese's longtime friend and deputy Attorney General, Jensen.

Ratiner, an aggressive attorney with a reputation as very bright, ego-driven, and a loner within the Dickstein, Shapiro firm, relished being viewed as a maverick. So he was displaying his usual independence when he filed the complaint that named Jensen early in October 1986. On Oct. 12, the "L.A. Times" ran a story airing the INSLAW case and the former rivalry between Hamilton and Jensen. On Oct. 23, Ratiner was asked to leave the law firm. Between Oct. 12 and Oct. 23, Ed Meese talked to Garment about the case.

In a pre-trial interrogatory, Ed Meese conceded that he had a "general recollection of a conversation with Leonard Garment in which Mr. Garment mentioned that he had discussed INSLAW with Arnold Burns." Arnold Burns, the deputy Attorney General who resigned last week, replaced Jensen when Jensen left Washington to take a federal judgeship in San Francisco in the spring of 1986.

When "Barron's" asked Leonard Garment about the conversation, he emulated D. Lowell Jensen. He ducked. "I know there was a suggestion by Meese--or one of his staff--saying he met and spoke to me about INSLAW. Oh, he said it in pre-trial interrogatories? Then . . . it was a question of his recollection."

Garment was more emphatic regarding Ratiner's removal. "No one in the Justice Department or the whole U.S. government or the whole USA suggested to me that anything should be done with Ratiner. Nor do I

remember mentioning INSLAW to Meese," he continues. "Look--I met with Meese around the date he mentioned, and I discussed with him a matter of foreign policy. I was on my way to Israel. . . . Memory is so tricky, but I don't have the slightest recollection. . . ."

Finally, Garment collected his recollections and summed up his position. "As Sam Goldwyn said, 'Include me out.'"

Ratiner's exit settlement with Dickstein, Shapiro bars him from discussing how and why he left. But Hamilton believes that Burns and Meese expressed dismay at the fact that he had turned the spotlight on Jensen. After Ratiner gave up the case, the firm continued to represent INSLAW, but Hamilton feels their support waned. In January of 1987, Dickstein, Shapiro urged him to settle with Justice for \$1 million--of which about half would go to pay Dickstein, Shapiro's fees. A few days later, Hamilton switched attorneys. In September, Judge Bason awarded INSLAW \$6.8 million--plus attorneys' fees.

During the trial, Tony Pasciuto's boss, Thomas Stanton testified to another reason why Meese might have been interested in the INSLAW case: INSLAW could besmirch the U.S. Trustee program. The U.S. Trustee's Office had been recently set up to administer bankruptcies nationwide, and it was Meese's baby. Meese made the decision to take the Trustee program national--even though his predecessor, William French Smith, had planned to ditch the pilot Trustee program.

Two of Pasciuto's former colleagues in the Justice Department allege that the move to keep the U.S. Trustee program was flagrantly political. "It was a way of getting cronies into office. There would be 50 or 60 positions to be filled," one asserts. Stanton, the director of the Trustee program, seemed well-protected within Justice. This former Pasciuto colleague adds: "It was always puzzling to me how he got away with what he got away with. He'd do things that were blatantly wrong and no one would question him--it's kind of scary." Another former employee confirms, "Irrespective of the law, or anything, if Stanton wanted something, he had the ear of the right people at the highest level--straight from Burns to Meese. If he could not get what he needed, he went to Burns."

Outside Justice, bankruptcy attorneys like Patrick Kavanagh, a solo practitioner in Bakersfield, Calif., worry that the Trustee program "concentrates so much power in one government department. . . . It's supposed to act as a watchdog over lawyers and trustees, but the problem is it's more. It has a considerable amount of power

to control the administration of cases."

When a case moves from bankruptcy to liquidation, the U.S. Trustee's Office names the trustee, who converts the assets, oversees an auction, and retains appraisers who will put a price tag on the leavings.

The U.S. Trustee's program also links Justice and the IRS. "The thing that's a little frightening about it is that the U.S. Trustee department sees itself as part of the tax-collecting function of government," observes Charles Docter, the bankruptcy attorney representing INSLAW. "The Justice Department represents the IRS, and the IRS is often the biggest creditor in a liquidation.

In the INSLAW case, tax collectors seem unusually determined to see their debt paid immediately. "The IRS showed up in Bill Hamilton's office the day after the trial ended in August. Ultimately, they would demand that he personally pay the \$600,000 that INSLAW owes," says Docter. "Usually the IRS calls us before coming to see one of our clients," he notes. "We talk to them on the phone and get it straight." Hamilton doesn't have the \$600,000 in his personal savings account.

But Docter responded to the pressure by writing a letter in which INSLAW promised to pay the withholding portion of the taxes within 30 days. "Normally, the IRS would wait that long," he says. "Instead, on the 28th day, they went out and filed to convert INSLAW from Chapter 11 to Chapter 7." Once again, they were trying to liquidate INSLAW.

Lately, Docter reports, an aggressive IRS has been pursuing withholding taxes by going after the individual who owns a company, "but normally they don't go for the jugular immediately and file for a motion to liquidate."

Still on the bench, Judge Bason managed to stop the IRS push to liquidate INSLAW.

When the tax collectors filed to convert INSLAW to Chapter 7, Docter recalls having a memorable conversation with an attorney from the Justice Department's tax division. Docter chided the attorney from Justice, saying: "Look, the judge has already found that you tried to steal the software through 'trickery and deceit.' Isn't it about time you stopped this heavy-handed stuff? Doesn't anyone in the department have enough guts to say, 'We have to start handling this like lawyers?' The whole thing is just completely sullyng the Justice Department."

Docter states that the attorney from Justice replied: "I don't

set policy around here. The Attorney General does."

And, Bill Hamilton remembers, Ed Meese approved the Justice Department bonuses awarded after the trial was over, in December of 1987. Three of the six who received bonuses were involved in the INSLAW case:

Stewart Schiffer, who directly supervised the INSLAW litigation, received \$20,000.

Michael Shaheen, head of the "Office of Professional Responsibility," \$20,000. Shaheen wrote a letter to Arnold Burns on Dec. 18 recommending that whistle-blower Pasciuto be fired for exercising "atrocious judgment" in telling the Hamiltons what he knew.

Lawrence McWhorter, Brick Brewer's boss, \$10,000. McWhorter, Judge Bason noted, said, "I don't recall' or 'I don't know' something like 147 times in his deposition." The court found McWhorter's testimony to be "totally unbelievable."

Arnold Burns, deputy Attorney General until just last week, headed up the panel that received recommendations for Justice bonuses.

With no help from Uncle Sam, Bill Hamilton earned his own bonus. IBM has plans to enter a \$2.5 million deal with INSLAW that will bail the firm out of bankruptcy. "About \$1 million will be used for software development to integrate INSLAW's products with IBM's own database software," Hamilton says, "and \$1.5 million will be used to finance INSLAW's reorganization." Details are still being negotiated.

"IBM's law firm has drawn up a contract. We expect to have it signed in two or three weeks," Hamilton adds.

In a 1981 speech, Edwin Meese had lauded INSLAW's work on PROMIS as "one of the greatest opportunities for success in the future." It seems he was right: The IBM deal provides the clearest evidence of all of the product's continuing value.

Still, the IRS persists in demanding immediate payment--even though the pending IBM contract, not to mention the \$8 million owed by Justice, suggest that INSLAW will be able to pay its tax bill.

Charlie Docter, INSLAW's attorney, comments on the IRS posture: "The whole thing smacks of a police state. This case scares the hell out of me. '

"Scary" is the word most often used by victims of the INSLAW affair. They are angry, but they also can't quite believe it happened.

That the U.S. Justice Department could engage in a vendetta that would end the career of a federal judge, bankrupt a company, force a partner out of his law firm, cause another federal judge to recant under oath and reach down and wreck the career of a 21-year government-service employee--that's the stuff of a spy novel, set, one would hope, in another country. But resignations en masse from a Department of Justice inhabited by "moles" suggest alarming facts, not diverting fiction.

Bill Hamilton's story is not based on imagination. It's based on experience, and there's considerable circumstantial evidence that he could have been the victim of a California cabal encompassing onetime members of the Reagan gubernatorial cabinet, and alumni of the Alameda County Mafia. Ed Meese belonged to both groups.

Why did INSLAW rate the attention of such a powerful group? INSLAW was, one Senate staffer suggests, the leading edge of Justice's \$200 million "Project Eagle," a plan to computerize the department's tax division, criminal division and the 94 U.S. Attorney's offices. INSLAW predates the four-year-old Project Eagle, and might well offer an easy entry to any company that wants to participate in that program. The Justice Department has taken pains to say that INSLAW is not involved in Project Eagle. But Senate staffers looking into both INSLAW and Project Eagle aren't so sure.

Project Eagle seems part of the same pattern of musical chairs: John J. Lane, a respected deputy assistant Attorney General for information technology, left last summer, and according to Government Computer News, Justice has lost its four IRM (information resources management) officials with the longest service in the past year. When Lane left, Justice reorganized its computer operations and created a new position, naming Stephen R. Colgate, who had been director of the Treasury Department's Office of Finance, to head Project Eagle.

Asked about his priorities, Colgate was quoted in the trade publication as saying that, for the leadership of the department, "Eagle is the No. 1 priority. Eagle is the technology legacy that this Administration wants to leave behind."

A member of Sen. Christopher Dodd's staff who has been looking into the INSLAW case for more than a year takes a more cynical view:

"If you wanted to wire [fix] something, this would be the project," he confides. "It's been anticipated for a long time. And, it's a lot of money. So, if you wanted to wire something . . .

this would be the one."

These days, however, it's unlikely anyone at Justice wants wire anything. Today, there's a new agenda: Everyone is either burrowing in, or getting out. And, before leaving, there's an urgent desire to tidy up.

Justice had announced its intention to fire Tony Pasciuto two months ago. But in the end, just a week before Deputy AG Arnold Burns resigned, he agreed to meet with Pasciuto's attorney, Gary Simpson, to hear Pasciuto's side of the case.

Five or six officials from Justice were in the room; another three or four--including one who had recommended firing Pasciuto--waited nervously in the hallway outside.

"I was on a roll," confesses Simpson, who is normally matter-of-fact. "It was something else. I was accusing them of all sorts of things, and no one stopped me."

Justice ultimately proposed a painless solution: Pasciuto should walk away, go work somewhere else, and they'd acknowledge he had been a good employee.

During the meeting, Simpson did most of the talking. "Burns was really taking it on the chin," he recalls. "He jerked back a couple of times, but he didn't say anything. More than once, he nodded assent. When I stated that Blackshear had recanted, he nodded again. And," Simpson concludes, "Burns didn't look like he was hearing any of it for the first time."

Where Are They Now?

LEIGH RATINER has left the practice of law. The man who once negotiated the Law of the Sea treaty for the U.S. government now runs his own business, LSR Enterprises, a maker of filing systems for lawyers.

JUDGE BASON, who was denied reappointment as a federal bankruptcy judge, is still unemployed, and looking for work. Judge Bason has no regrets, though he concedes he does not relish controversy. Indeed Judge Bason tried to have himself taken off the INSLAW case when it first came up. "I talked to the chief justice of the District Court and said, 'This has the potential of becoming a very hot potato.' I wasn't sure I wanted to get involved in it." George Bason is not, by temperament, a fighter.

"My wife tells me I'm very stubborn," the 56-year-old former law

professor confesses. "It takes me a long time to make up my mind about things and I tend to reserve judgment until I know as much as I can. But when I make up my mind, I'm very firm. To a very aggressive person I may give the impression of being a pushover, and when I prove not to be one, such people can be very angry."

TONY PASCIUTO is luckier. He has been offered a good job at a large financial firm based in New York. If he takes it, he'll be making a lateral move from Justice into the private sector. Meanwhile, his attorney, Gary Simpson, awaits final word on Pasciuto's honorable discharge from the department. The papers are scheduled to be signed today.

if you've made it to the end of these 2 articles, you understand that there are a lot of questions Ms. Mahar leaves open-ended since, during the spring of 1988 when she wrote this, many aspects of this situation were still grinding on and had not achieved the clarity now more evident. obviously, 3 and a half years later, and a great deal more known about this story, there is much that Ms. Mahar was only able to intimate for lack of more concrete evidence that has since become available. if any of you are interested in following up on any of the points raised in these 2 articles, i'd like to suggest at least a couple of obvious starting points. Maggie Mahar writes that

Bason questions the failure of high Justice Department officials to take any action to investigate serious allegations of misconduct.

and alludes to the Senate Permanent Subcommittee on Investigations, chaired at that time by Sam Nunn:

The Senate's Permanent Subcommittee on Investigations is now looking into INSLAW--a sign that the lawmakers, too, think that the whole story of the "something strange" that happened in the Justice Department has yet to be told. . . . At the end of the week, that committee met with Bason, as well. Senator Nunn's committee may find some answers--and ask more questions--that will illuminate this bizarre story.

why not call up Senator Nunn's office and ask "what happened?" "what did

you find out? what did you conclude? is there a report you can send me?"
also Senator Dodd's office should be called:

A member of Sen. Christopher Dodd's staff . . . has been looking
into the INSLAW case for more than a year . . .

to see if the member she alludes to is still there or ever wrote up a
report of their examinations.

--

daveus rattus

yer friendly neighborhood ratman

KOYAANISQATSI

ko.yan.nis.qatsi (from the Hopi Language) n. 1. crazy life. 2. life
in turmoil. 3. life out of balance. 4. life disintegrating.
5. a state of life that calls for another way of living.

EDITORIAL NOTE - This file contains material originally posted to Usenet by Tim Richardson in 2 installments. To save space, the introductory material prefacing each installment has been included only once, as has the closing comments.

-Steve Crocker
2/24/92

Article 1910 (92 more) in misc.activism.progressive (moderated):
From: tim@netcom.netcom.com (Tim Richardson)

Subject: BCCI & related scandals (Part 1/2)
Keywords: INSLAW, CASSALERO, JFK, DRUGS
Message-ID: <1992Jan6.190612.5600@pencil.cs.missouri.edu>
Date: 6 Jan 92 19:06:12 GMT
Sender: rich@pencil.cs.missouri.edu (Rich Winkel)
Followup-To: alt.activism.d
Organization: techNET, San Jose, CA
Lines: 163

The below is excerpted from a talk-radio interview with guest Doug Henwood, Sherman Skolnick and talk show host Samori Marksman from station WABI. The Subject is BCCI and related scandals and the involvement of U.S. Government officials and is a part of the continuing discussions, transcriptions (of radio and TV shows) and excerpts of books and articles which propose a prima facie case against a number of individuals, several of whom are in the Executive branch of our government and in intelligence agencies and which involve a significant number of criminal activities dating back more than 25 years.

Danny Cassalero, an investigative reporter recently found dead under VERY suspicious circumstances, had code named the "linkage", of these various events, places and people, the OCTOPUS.

The OCTOPUS, or conspiracy, or whatever you'd like to call it, began for Danny Cassalero as an investigation into the theft of some software by the U.S. Justice Department, from a little company called INSLAW. This investigation soon spread to several intelligence agencies (DIA, CIA, ISA and others), international arms dealers, drug dealers, arms-for-hostages deals, the Iran-

Contra players, POW's in Southeast Asia, the Nugan-Hand Bank scandal and even back to the assassination of John F. Kennedy. What had begun as a comparatively simple investigation into the theft and misuse of some software by an agency of the U.S. Government, soon became immutably linked with the nefarious dealings of BCCI and arms to Iraq, and eventually took on the complexion of a cancer on the country (to paraphrase John Dean).

(Henwood):

...the active planning by intelligence agencies to use these corrupt financial institutions for their own nefarious purposes. Interestingly, BCCI has been linked to at least 3 or 4 failed Savings & Loans in the U.S which they [BCCI] either had significant stakes in, or controlled. CENTRUST in Florida which is one of biggest, just cost the Government, (i.e., you gentle tax payer. TLR) I believe, \$1.7 billion to "resolve" (resolve is the official term the government uses). A smaller S&L, INDEPENDENCE BANK in Encino which also has a number of very strange connections with some quite heavy Israeli or pro-Israeli political contributors. And then there's the FIRST AMERICAN, which is not a thrift, but a commercial bank in Washington. And also BCCI is linked to a couple of strange American insurance companies which are apparently part of the whole junk-bond trading network. So it is not only linked together financially, but it seems to be a whole parallel kind of structure which links BCCI to a number of financial institutions which have failed in the U.S.

----- later in the discussion -----

(Marksman to Skolnick, regarding the involvement of Clark Clifford in the BCCI affair):

How deep is he involved in this scandal and is there any connection to what he is about and what he is involved in and...

(Skolnick):

I will answer that in a moment, but let me divert for just a moment.

Working on a parallel track to our investigation was a rather skilled investigator and writer who was writing a book on what we now call the Inslaw affair; which is this "software situation" involving the Justice Department and the spy agencies. That [investigator] was Danny Cassalero. He made, however, a series of errors in the way in which he went about the investigation in that he did not protect his position. He went to meetings on somebody else's time and turf. He went to secret meetings without taking adequate protection.

He uncovered direct links to the White House on some of these bank situations. And he was found dead in such a way that some [people], not knowing the circumstances would think he committed suicide, when in fact, there is strong reason to believe that he was murdered. Involved in the INSLAW affair and these overlapping situations, we have some 30 witnesses and journalists who have been murdered in the last couple of years! So it is a highly controversial and sensitive situation and some journalists who have been working on this have not taken adequate precautions.

Now, as to Clark Clifford; his wife has been mentioning to their close family friends who have told us, that the Government is trying to "set up" her husband Clark Clifford, in order to protect Bush from going to jail himself. That's the way Mrs. Clifford puts it.

(Marksman):

You've spoken with her?

(Skolnick):

I've spoken with close family friends that quote her. In other words, George Herbert Walker Bush needs Clark Clifford

framed and sent to jail, otherwise Bush goes himself to prison.

Clark Clifford has been the head of bank holding company and it is now contended that that bank holding company was secretly owned by BCCI. Clark Clifford contends that he didn't "quite" know about it. I'm not here to testify as to the honesty of Clark Clifford. But the point is that he's very knowledgeable and there is a chance that he most likely did know BCCI and it's ownership of the bank holding company. But I find the statement of his wife, relating what Clark Clifford talks about, at least in their close-in circle, that they're trying to set him up in order to protect Bush from going to prison. I find that VERY INTERESTING.

It seems to run parallel to what we and others are working on. And that is, that we have a president who seems to be into criminality. If you knew all the facts and even if you were a Republican who supported him for office, in your heart-of-hearts, you'd have to believe that there was something awfully wrong here.

(Marksman):

There's just too many charges, just...

(Skolnick, interrupting):

I'm not a Democrat! I'm an independent. So if you've got it in your mind that I'm saying this just to besmirch him as a Republican...

(Marksman):

No. I'm saying that not only the allegations which you are raising in relation to this issue, but that there are SO MANY OTHER charges, from so many different quarters. More than have been leveled at another president as I can recall, not even Ronald Reagan.

----- TO BE CONTINUED -----

end of part 1 of 2

cont'd (part 2 of 2)

(Skolnick):

I will throw this out for your listeners to consider:
Circulating in the political assassination investigation underground is a thing we call the "TORBIT" document. This has been circulating for 20 years now. It appears to be an insiders report as to who killed John F. Kennedy. Now I emphasize that this [document] has been circulating for 20 years, hand to hand. I recently had occasion to re-read it. And I was astounded to find that the 25 sharpshooters that were trained in Mexico, some of whom were in Dealy Plaza in November 1963 and who killed JFK, were financed by the "Bank Lavoro". I find that extremely interesting.

(Marksman):

The same bank you've been talking about all morning!

(Skolnick):

Right. Now here I want to stop a moment and tell your listeners that our group is offering, without cost, a copy of an FBI document that shows that George Bush was in the CIA as early as 1963 and was involved in covering up one aspect of the assassination of president John F. Kennedy. You can get that document from us, without cost, but please be patient, the mails have been very heavy and it may take a while.

Send a stamped, self-addressed BUSINESS SIZE envelope to:

Sherman Skolnick
Citizens Committee to Clean-up the Courts
9800 South Oglesby
Chicago, IL 60617

Send a stamped self-addressed envelope to this address and we will send you the copy of the FBI document which appears to support the contention of Bush being involved in the assassination of John F. Kennedy.

We will also send a list of hardcopy items and audio and video items which bear on this matter. And yes, your listeners can, through our group get a copy of the TORBIT document, which, I think, is not available anywhere else.

(Marksman):

Well, we have a few minutes remaining, Sherman and I'd like you to use that to tell us about how the Bank Lavoro is linked to the INSLAW affair.

(Skolnick):

Yes, I find that very interesting, but let me come back to that in a moment.

The late Danny Cassalero told his close friends, that in investigating the Inslaw thing, which he called the OCTOPUS, that it was directly linked to the "October Surprise" via Dr. Earl Brian. I don't think that in the few moments we have remaining I can go into all the nitty-gritty detail, but Cassalero's contention was the Earl Brian was paid off by the Reagan-Bush group for his role in helping to make, (what some feel is a treasonous arrangement) arrangements in a suburb of Paris for the delay of the release of the American hostages by the Iranians until after the election in which Reagan and Bush were elected. Dr. Brian's "payoff" it seems, was to be given the use of Inslaw's software, despite the fact that this was/is illegal in that it was not owned by the US Justice Department.

Now of course Bush claims he wasn't in Paris in the fall of 1980, but what the press has not seen fit to ask him is, "Mr. Bush, were you in a Paris suburb, negotiating with agents of Ayatollah Khomeini". You see, Bush has got them [the press] on semantics... he was not in Paris, he was in

a Paris suburb!

But Dr. Earl Brian, who is a close crony of Ronald Reagan and was deeply involved in the Inslaw thing, was paid off for his role in the hostage deal known as the "October Surprise". This payoff, was in the form of use of the Inslaw software, in violation of the true owner's copyright, and it [the payoff] resulted in Dr. Brian selling and or leasing the software to intelligence agencies, worldwide; including Iraq, the Mossad, Sweden, Canada and others.

So there is a number of interfaces between these various scandals. The Inslaw affair also involves (and that's another reason why Danny Cassalero called it the OCTOPUS) banking transactions that relate to the Golden Triangle, from which opium comes (TLR: the Golden Triangle supplies more heroin than any other place on earth). The Inslaw affair, as a result of this connection with the Golden Triangle, is linked to our POW's...

So there's a number of interfaces and overlaps between the Inslaw scandal, the October Surprise, the oil kickback scandal...

(Marksman):

and the Gulf War...

(Skolnick):

yes, and the Gulf War. So those [folks] who would look strangely, at why Saddam is still in power this long after the Gulf crisis started, one small explanation, (or maybe a large explanation) may be that Saddam has arranged with his half-brother, that if he [Saddam] is assassinated, that all his business records of his dealings with George Herbert Walker Bush, private business dealings, would be publicized world-wide! This, is in relation to the oil kickbacks and the massive amount of money which Bush and his oil cronies have collected, and NOT declared on their tax returns.

(Marksman):

You are not alone in making these allegations. I saw an additional article in the Wall Street Journal, I think it was in March of 1989, which made similar claims. But Sherman Skolnick, we are fast running out of time. Could you please give us your address again and then one final comment.

(Skolnick):

I'd like to encourage your listeners to call our number in Chicago. It's not toll free, but it is NOT an expensive 900 number. We update this recording several times a week. It's a 5 minute recorded message.

The number is (312) 731-1100.

Your listeners can get updated on our investigations so if you don't hear it in the media, you can at least hear it here.

None of the mainstream press has asked the right questions, they haven't asked adequate questions about the Inslaw affair, they haven't asked about the Paris suburb and Bush, they haven't asked about the Bank Lavoro case and the Gonzales committee having been in court, and I find that in these cases, the mainstream press is suspect. I think know what this is leading to and they don't see fit to go into it. And then of course, the public scratches their head and says, 'Well, what is all this about? I didn't read it in the New York Times! I didn't read it in the Chicago Tribune. I didn't read it in Time Magazine and so on,'

(Marksman):

and begin to question. But we must remind them that they heard it here on WBAI, and Sherman, we have to run and we GREATLY appreciate it. Thank you for joining us this morning.

WBAI's address is:

WBAI-FM Radio
505 Eighth Avenue
19th Floor
New York, NY 10018

--

Tim Richardson

Technical Network Products, Inc. "techNET"

email: tim@netcom.com {apple, amdahl, claris}!netcom!tim

"Those willing to give up a little liberty for a little security

deserve neither security nor liberty". ----- Benjamin Franklin

EDITORIAL NOTE - This file contains material originally posted to Usenet by John DiNardo in 14 installments. To save space, only the first of the 14 usenet headers has been included. In addition, John's opening and closing comments supporting station WBAI and urging concerned citizens to pass along this information are in fact composites of John's opening and closing remarks in various of the 14 collected posts. Note although the closing portion of the transcript concludes with (to be continued) John has not as yet posted further portions of this interview, although he has posted other transcripts relating to the Casolaro case which I will try to collect in another file or files.

-Steve Crocker
12/25/91

Article 4777 of alt.conspiracy:

Newsgroups: alt.conspiracy,misc.legal,misc.headlines,talk.politics.misc,
alt.activism

Path: cbnews!jad

From: jad@cbnews1.cb.att.com (John DiNardo)

Subject: Part I, The Casolaro Murder --> The Feds' Theft of Inslaw Software

Organization: AT&T Bell Laboratories

Distribution: North America

Date: Mon, 23 Sep 1991 16:19:58 GMT

Message-ID: <1991Sep23.161958.4484@cbnews1.cb.att.com>

Followup-To: alt.conspiracy

Keywords: The cancer that is eating away at our democracy.

Lines: 106

The following transcript was made from a broadcast on
September 20, 1991 by Pacifica Radio Network affiliate
WBAI-FM Radio (99.5)
505 Eighth Ave., 19th Fl.
New York, NY 10018 (212) 279-0707

WBAI can afford to reveal this scandal because WBAI is not under the dictatorship of big business owners and sponsors who forbid these revelations in the mass media. WBAI is financed with donations from listeners like me who realize that you get what you pay for. For instance, General Electric, the owner of NBC, gets what it pays for in terms of public delusion.

* * * * *

[Bill Hamilton is the chief executive officer of the Inslaw Corporation
(a software company) and the developer of its PROMIS software package.]

* * * * *

BILL HAMILTON:

Danny [Casolaro] was found dead in West Virginia. He had conversations with three confidants -- three separate conversations which I found out about later. And he told each of these three confidants the same thing; that he had just then returned from West Virginia where he had met with a source and that he now knew everything that had happened to the PROMIS software and to Inslaw, but that he had to go back for one final meeting to pick up the last piece of evidence. And he was quite euphoric about his breakthrough. And he said to each of these people that Bill and Nancy Hamilton (My wife is named Nancy -- works here with me.) were going to be quite excited.

One of the confidants said: "I've had fifty telephone hours talking to Danny." (This is someone who lives on the West Coast.) "During the past year I've spent about fifty hours speaking to him on the phone. Normally, he plays chess with me. Monday night, he was like the cat who had swallowed the canary. He knew he had broken this thing!

So, if he was murdered -- and I believe he clearly was -- he was murdered because he had found out too much. The other thing I should mention to you is that, in the final three or four weeks of his life, several different people with backgrounds in U.S. covert intelligence operations, who I talk to on a regular basis, and who Danny also talked to on a regular basis, directly told me that they had told Danny that his life was in jeopardy because he was having such success in breaking this corruption open. And they told me that some specific inquiries that Danny was making could get him killed. And the West Virginia authorities have never shown any interest in finding that kind of thing out from people like me and others who knew professionally what Danny was doing.

So, to rule a suicide without examining this kind of information,

PAUL DeRIENZO:

Can you give me some idea of those very specific things that

Danny Casolaro was inquiring about?

BILL HAMILTON:

Danny was planning to go to a particular facility in the Washington, D.C. area, owned by the United States Government, a facility with connections to one or more of the people who run "the Octopus".

I think you can assume it's a covert intelligence facility, from the way that it's presented. And just going to this facility, I was warned, could get him killed. The other thing that he was doing was making inquiries, over the telephone, to the Syndicate in Los Angeles. And those inquiries had rattled the cages of some people out there. And there was some concern that they might respond to the rattling by killing Danny. The claim that I have heard from some sources is that someone with mob responsibilities (I guess you'd call it) -- some person in the mob -- is a member of the leadership of "the Octopus." And it's someone from the Los Angeles mob. And Danny was onto it.

PAUL DeRIENZO:

Are you familiar with any of the research that was done by the Christic Institute in Washington, D.C. concerning the Iran-Contra scandal?

BILL HAMILTON:

Yes. I have read it.

PAUL DeRIENZO:

To your knowledge, are there any parallels there? Are some of those same people involved, to your knowledge?

BILL HAMILTON:

Yes. Danny's belief about who was running "the Octopus" -- about seven or eight people -- some of them are people who the Christic Institute identified: Theodore Shackley, Thomas Clines

Danny also had people like George Pender, John P. Nichols, E. Howard Hunt [JD: Hunt was one of the people named in Nixon's burglary of the Democratic Party headquarters in the Watergate office building.], the former Director of the CIA Richard Helms, Ray Cline. Those are the people that Danny had identified as the people running "the Octopus."

PAUL DeRIENZO:

Anything you'd like to add to this?

BILL HAMILTON:

I think it's important that reporters try to get to the bottom of this because Danny was investigating corruption in the U.S. Department of Justice itself. It makes problematical any possibility that there could be a Federal investigation, unless there's an independent counsel appointed. So, the press and the Congress are really the only hopes that we have to try to prove whether Danny was murdered or not.

(to be continued)

* * * * *

PAUL DeRIENZO:

I know that you won your suit and that there were some appeals by the government. Has that been completed yet -- the legal proceedings?

BILL HAMILTON:

No. The government appealed from the bankruptcy court to the U.S. District Court. The U.S. District Court, in November, 1989, affirmed the bankruptcy court saying that the evidence was sufficient to support the findings (quote) "under any standard of review." (closed quotes). Then the Justice Department appealed again to the United States Court of Appeals this time. And a three-judge panel in May said, on a narrow jurisdictional ruling, that we won the case in the wrong federal court. We should have tried it in a different federal court. We are currently seeking certiorari from the U.S. Supreme Court because we think that the U.S. Court of Appeals jurisdictional ruling was in error. But when the U.S. Court of Appeals made its jurisdictional ruling, it left undisturbed the findings of the bankruptcy court that had already been upheld by the district court: that the Justice Department stole six million dollars worth of our software through "trickery, fraud and deceit", and then tried covertly to drive Inslaw out of business.

PAUL DeRIENZO:

Have you received any settlement on that?

BILL HAMILTON:

I've never received a penny! And the forty-two largest United States Attorneys' offices are still running their caseloads with software that two federal courts said was deliberately stolen by the U.S. Department of Justice headquarters in Washington.

PAUL DERIENZO:

And that was Bill Hamilton, the chair of Inslaw, a software United States Government since the early 1980's and whose case led to another window into the workings of the secret team, "the Octopus", and the death of Danny Casolaro.

ROBERT KNIGHT:

This is UNDERCURRENTS. You've just heard Bill Hamilton, a man at the center of a pattern of deception, corruption and implications that are so tremendous that it's difficult to even encompass them all.

This is WBAL, New York. before continuing, it is essential that you call this radio station. Because now, as Bill Hamilton says, the issue has been joined. What can you expect from the Federal Government if, indeed, it is involved in such a wide-ranging conspiracy?

Well, we know that what we're going to do is continue to pursue this and bring you the kind of information you've been listening to for a solid half-hour this morning here on UNDERCURRENTS. (212)279-3400 is the number to call. If you want to have an independent reportorial investigative arm, support us now and let us know that this is important to you.

Let me just try and delineate some of the implications of this. A reporter gets close to the story. A reporter ends up dead. A reporter looks into something that is so big that it involves a global conspiracy.

Let's just take one little aspect of that: the case-tracking abilities of this software. You remember, during this interview that Paul DeRienzo produced, that Bill Hamilton said that copies of that software ended up in places like Israel, Saudi Arabia, Egypt, and around the world. In countries

PAUL DERIENZO:

Iraq, as well, in 1987. As a matter of fact, Richard Secord, according to an Iranian arms dealer who is now in jail, made the sales pitch.

ROBERT KNIGHT:

Let's recall who Richard Secord is. The former commander of the air wing in Vietnam. In it's program, Dang Pao (?), the ambulance out of which was shipped a crippling incapacitation of heroine into the United States. He ends up involved with Southern Air during the Iran-Contra period, and those airplanes are used for shipping arms out of this country, and are used, according to various reports that you've heard here and elsewhere, for shipping cocaine into the United States.

(to be continued)

* * * * *

(continuation)

ROBERT KNIGHT:

Well, there is another kind of product that is just as powerful and just as deadly to the indigenous community. One application -- just very broadly speaking as a former systems analyst myself -- is that tracking software can easily be modified, in terms of the attributes of description, so that instead of federal cases in the United States, it can be used to track the activities and to keep a centralized log of the repression of individuals -- of citizens within a country. Think about Saudi Arabia; a slave state that did not officially change its laws regarding slavery; the indentured servitude of migrant workers who come into that country and become, effectively, the property of the ownership class, and cannot leave without an exit visa. They belong to somebody else.

Imagine the applications of software like this! Imagine what happens to people who don't get their hands stamped at elections in El Salvador, because not to vote for the pre-selected rightwing candidates during the mid-1980's was considered by that U.S.-backed military government as tantamount to treason.

Area code (212) 279-3400.

We're talking about subtle material here, but that which can have an utterly profound effect on the state of human rights around the world. Something that illegally and mysteriously and --

through the operations of the National Security Council members, Robert McFarlane, the "secret team", Richard Secord, and Ed Meese, Ronald Reagan and cronies -- something that starts turning up around U.S.-linked repressive governments around the world. And Iraq is included among them.

279-3400, area code (212)... If we are revealing to you new dimensions of the operations of your government ... This is not a federal investigation. This is an UNDERCURRENTS investigation. This is a WBAI investigation. And we're obviously operating at the threshold of danger. I say that, not to aggrandize the efforts of the death of Danny Casolaro, implying the importance that people NOT know that this is going on.

279-3400 ... If you want to defy, you can defy with your money. You can defy with your tax-deductible donations to WBAI, and let us know that we need to do this. Let us know that YOU need to know this. We are trying to move the consciousness of this city, this country, and this world beyond the spy syndrome where only Robert Gates has a need to know. We're saying that YOU have a need to know.

I remember, as news director, reporting on how, during the elections in El Salvador, the Israelis WERE INVOLVED in tracking individuals vis-a-vis voting. Were they using this software? We're going to find out! But it's essential that you help us.

Let's look at the astonishing implications of this use of stolen tracking software to keep track of individuals in repressive governments, linked with the United States around the world, using software that was stolen from a company that refused to roll over to Ed Meese and cronies [JD: i.e. Ronald Reagan].

PAUL DERIENZO:

I can't wait until I can tell people, over-the-air, the address of that facility in Washington, D.C. where anybody who goes to it is threatened with death. Maybe we could all go down there.

(to be continued)

* * * * *

(continuation)

PAUL DERIENZO:

The next aspect of this case is the connection to BCCI, the Bank of Credit Commerce International. It turns out that BCCI was laundering monies that were raised through the illegal sales of this software. You know, it's very interesting because everybody is screaming: "Well how could BCCI be operating without the regulators doing anything about it when obviously there were flags going up and there was evidence going back seven, eight years that BCCI was involved in drug-running and in laundering of drug money, and in various nefarious schemes?" Well, the reason that the regulators and the Congressional hearings don't seem to want to touch upon is that, very possibly and probably, BCCI had direct ties to the Justice Department and to the regulators who were supposed to be watching the store. In fact, the reason that BCCI was not investigated and not prosecuted a lot earlier for its activities was because it was providing necessary services -- a full service bank.

ROBERT KNIGHT:

279-3400, area code (212) We need you to say: "Go ahead.

Go further. Take us into the realms of the esoteric knowledge of

a deadly conspiracy." We are in a position to create so many

headaches -- to bring around so much that has gone around. We're

going to make so much trouble! The people who do these things have

tools and techniques and dirty business beyond your imagining.

To help UNDERCURRENTS directly, contact us at 130 West 25th St.,
New York, NY 10001.

PAUL DERIENZO:

Well, what's there to say except: Is this the beginning of death

squads in America? Are journalists fair play now for people who

are afraid of the light of day shining into the events of the

world -- shining into what happens in the distant corners of this

country, out of sight of the majority of the people who don't

realize that their tax money and their representatives are involved

in all kinds of nefarious illegal schemings that cause so much pain

and destruction?

It's a sad story, and one that WBAI and other progressive
journalists are going to stick to, and won't be intimidated and
scared away from because of the death of Danny Casolaro.

25

ANDREW PHILLIPS:
>From our sister station in California, compliments of Pamela Burton
at the Pacifica Archives, just today we received an interview
conducted by a colleague of mine His name is Ian Masters.
And he did an interview at KPFF, Los Angeles

PAUL DERIENZO:
Well, this is an interview with Michael Reconsuutto. He is in
the Pierce County Jail in Tacoma, Washington where he was arrested
for allegedly running the largest methamphetamine laboratory in
United States history -- ever busted in United States history.
in drug manufacturing, and that he, in fact, was being punished
for appearing before the Jack Brooks Committee to give testimony
of the involvement of intelligence agencies in the Inslaw matter.
Reconsuutto is a computer expert. He claims to have been an
employee of the Wackenhut Corporation, to have worked on the
Capazon Indian Reservation and to have actually rewritten and
improved the Inslaw PROMIS software after it was stolen for export
to intelligence agencies in Iraq, Israel, Iran, Saudi Arabia,
Canada, and a number of other countries -- eighty-eight countries
in all, according to Inslaw CEO Bill Hamilton.

And Reconsuutto gave this interview from jail. He has information
about things that only someone who is close to these events would
know. This is a fellow who, two or three weeks after he gave
testimony to the Brooks Committee, was arrested on these charges ...

ANDREW PHILLIPS:
Texas Congressman Jack Brooks' Judiciary Committee has been
looking into the affair for the last two years, but only issued
subpoenas last July. Brooks is believed to have interviewed
Edwin Meese, former Attorney General under Reagan and his friends.
According to the Hamiltons -- we're going to hear from Bill Hamilton
later on -- the files of the Justice Department chief litigating
attorney on this case have disappeared.

IAN MASTERS:
He has a background in U.S. Intelligence: you've always got to be
skeptical of that claim, but he certainly does appear to have
knowledge of government contacts and activities. He feels that
he's being framed by Earl W. Brian and Peter Veidnix. They set him

up on a drug charge because he wouldn't cooperate with them. Veidnix apparently warned him against cooperating with the House Judiciary Committee on the Inslaw investigation.

Now, the reason I'm going to talk, in a moment, to Reconoscuitto is that he is the individual who allegedly altered this Inslaw software to give it this extra capability, to make it lucrative and able to generate all this money and all these sales.

(to be continued)

* * * * *

(continuation)

IAN MASTERS:
So let's now go to Michael Reconoscuitto in jail in Tacoma, Washington.

[JD: The dotted gaps below indicate some words that I must have missed in dubbing this tape. I'll listen to the original tape and then I'll insert those words in a follow-up to this installment.]

MICHAEL RECONOSCUITTO:

... and this package worked. OK? I mean it really and truly worked. And when I got my first copies of it and ran it up, I was dumbfounded. I have a statistical exercising package where I can put computer software and/or hardware, and/or hardware/software systems through their paces. And I can determine at which point it will become unreliable ...

... was going to go after information technology and bio-technology. And here again, you have to realize that we were on the threshold of a whole new era with bio-technology and with information technology. Earl Brian had some backing, and he was going to buy out some well placed start-up companies that already had a running start, and then he was going to pump money and talent and the right connections into them, and make them go.

And all of these grandiose plans were going along huckledy-buck all through 1982. And something went wrong! OK? The first thing that went wrong down in the Capazon was that the deputy tribal chairman, Fred Alvarez and a couple of his friends were murdered. They managed to sidestep that issue, as if it had never happened. And then my ex-associate, Paul Marosca was found murdered. I was the one who found him. And Nichols and others tried to keep me

away from our condominium office in San Francisco. It was suspicious to me. And after almost fourteen days of not seeing Paul -- and then a day after he missed a critical meeting that there's no way he would have missed -- that's when I went looking for him. And Nichols tried to get me down to the desert on an emergency basis to work on some project so that I'd be otherwise occupied. And I said that I'd be down there as soon as I found out what happened to Paul. And he was really pushy and really stressed out. When he came across to me on this, it made me even more suspicious. And other people that I talked to tried to dissuade me, and it was just not normal, the amount of pressure and emphasis they were putting on this situation. I knew in my gut there was Paul was dead! He'd been slowly strangled to death.

IAN MASTERS:

But why? Why are they killing people who are working for them?

MICHAEL RECONOSCITO:

Well let me explain. Alvarez was present at all the meetings, and he was gung-ho behind Nichols (Dr. John P. Nichols), and everything that was going on there. OK? We were all red-blooded Americans, and we believed in the things that were going on! The way things were shaping up with the Reagan Election Committee and the things that were being orchestrated made us all concerned. And Alvarez wrote a detailed letter to Ronald Reagan expressing his concern. All the details of the October Surprise hostage issue were outlined in that letter. I mean, IN SPECIFICS.

IAN MASTERS:

How did he have this information?

MICHAEL RECONOSCITO:

Well, Senator Abourezk was the tribal advisor. And we had connections in Saudi Arabia, and we had connections in Iran. And we were using those connections to try to get through to the religious regime to put pressure on the group that had the hostages -- to get them released. We were trying to resolve that question. You've got to understand that Bill Casey was the outside corporate counsel for Wackenhut at that time.

IAN MASTERS:

And Wackenhut was in a joint venture with the Capazon Indians.

MICHAEL RECONOSCIUTO:

That's correct. And William Casey was their [Wackenhut's] outside

counsel. Now, Stansfield Turner, the Carter C.I.A. Director WAS

ON THE BOARD OF DIRECTORS OF WACKENHUT! Do you know that Frank

Carlucci [JD: former secretary of defense] is on the board of

directors of Wackenhut? Shall I keep going??

You know, their favorite song at board meetings, after the "Star

Spangled Banner", is "Hail, Hail, The Gang's All Here".

IAN MASTERS:

But tell me how this led up to Ronald Reagan. What was the date

of this letter saying

MICHAEL RECONOSCIUTO:

I can't remember exactly. I'd have to go back to my notes and

stuff. But we've got copies of it and we've got copies of Ronald

Reagan's response. Have you seen any of this?

IAN MASTERS:

No. Of course not.

MICHAEL RECONOSCIUTO:

OK. It's been spread out to reporters. And I will get a hold of ...

IAN MASTERS:

I'd like to get hold of it. But tell me now: what specifics do

you have on how this October Surprise thing was orchestrated?

OK. But let me finish. I'm building up to a point here. It's quite

complicated and I'm just about there. Robert Jason, who is the

group vice president of Wackenhut, has an interesting history.

Robert Jason was vice president of International Telegraph and

Telephone. You know -- ITT. During the Allende situation in Chile,

he was the C.I.A. station boss as well as vice president of ITT

for Chilean operations. And his deputy station boss was Dino Pianzio.

And John Philip Nichols was working under Dino John Pianzio at

that time. Jason goes from ITT to Wackenhut. During the Carter

Administration, Robert E. Jason is Commissioner of U.S. Customs

For the entire Carter Administration. As Commissioner of Customs, he has some interesting projects directly out of his office. One of them was Fat Albert, the drug interdiction surveillance balloons. Are you familiar with that technology?

IAN MASTERS:

Yes.

(to be continued)

* * * * *

(continuation)

-- the big balloons with radar and other sensors that were doing the aerial surveillance for drug smugglers flying in, to try to that were vendors supporting that project were wholly owned by Earl W. Brian. The contracting officer handling all of those companies was Peter Veidnix, out of the BUREAU OF CUSTOMS! OK? And this was a very large procurement. And Veidnix' job, as contracting officer, was to deal with industry. And he was the point of contact for the vendors in industry to deal with the Government agency. It was his job to communicate and fraternize with the companies that the Government was involved with. That's a normal part of his job description.

Now for him to say, in affidavits, denying that he's ever heard of Wackenhut, that he's ever heard of Earl Brian, and Earl Brian's denying that he's ever heard of Peter Veidnix is preposterous!

IAN MASTERS:

Well, you've personally had to work with both of them.

MICHAEL RICONOSCIUTO:

You see, but what I'm trying to do is establish, on an undisputed basis, collateral from me, or totally independent from me, the fact that these guys do not have a basis to deny knowing each other, or to deny knowing anything about Wackenhut.

Here the chief operations officer from Wackenhut takes a leave of absence to go be Commissioner of Customs. And while Commissioner of Customs, he had routine contact -- he might as well still have been at his post at Wackenhut. Internal memoranda support that. OK? Yet the guy who was Veidnix' boss, and wearing two hats, while running a Government agency -- which is not proper to begin with --

But for Veidnix to deny he's ever heard of Wackenhut is a bunch of baloney.

Wackenhut has a working relationship with the Customs Bureau that is second to none for a corporate entity to have with a Government agency. These guys are not talking reality. They're hiding behind a so-called wall of plausible deniability which, if you examine the facts, it is shown to be just that.

Now, we get back to the Reservation, and we get back to this three-ring circus conducted by Dr. John Philip Nichols and covert operators, and arms dealers, and drug dealers, of every stripe and color coming to meetings over a four-year period on this Reservation. That's what you had. PROMIS was just one of many acts in this three-ring circus. And the players were involved, not just in PROMIS, but in all the rest of it.

So, the Hamiltons, and the scenario of them getting ripped off while in a formal contractual relationship with a Government agency, is only one of many stories. And I can pinpoint over a hundred companies that received the same kind of treatment, and were defrauded in the same way as Inslaw. And I've gotten over fifty of them together, and we're all networking, trying to bring this thing out into the light of day.

IAN MASTERS:

What about the idea that somehow the theft of PROMIS was a reward to Dr. Earl Brian for brokering the Iran hostage deal?

MICHAEL RICONOSCIUTO:

The ability to run with PROMIS from the inside, on a procurement for what they did in helping the Election Committee. Part of that was the artillery shells. Part of that was security contracts for Wackenhut. Wackenhut has security jobs that traditionally the United States Marine Corps did. OK? Now, it's done on open bid to private companies, and Wackenhut consistently has gotten most of those jobs. And all our atomic weapons research and test sites are all guarded by Wackenhut personnel. In the Reagan Administration, the shift went abruptly from Marine Corps and military personnel to Wackenhut personnel. It was an UNPRECEDENTED move. And it's my position that this was part of the reward benefit package for

cooperation and services rendered during the election situation.

(to be continued)

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ANDREW PHILLIPS:

We think this is one hell of a story. Just let me read briefly from the VILLAGE VOICE of this week [Sept. 18, 1991]:

"Unlike the murky October Surprise scandal with the compromised Congressional investigations into Iran/Contra, the facts in the Inslaw case are quite clear. Emerging from a low-level bankruptcy court, they paint a virtually indisputable case of corporate theft." This is James Ridgeway writing in this week's VOICE,

"an indisputable case of corporate theft, political corruption, and the very real possibility of international espionage. The issue goes straight to the White House and it involves officials at the highest levels of the Justice Department in what appears to be a deliberate campaign of intimidation, theft and corruption. By now, that ought to have led to a serious Congressional investigation. Unlike Iran/Contra, no one in this case has pleaded national security as a defense, though that is likely before it is over. In a sense, it is already too late for that. The facts are too well defined. If the opinions of two judges are correct, this case ought to result in criminal indictments of past and present Justice officials."

(212) 279-3400: That's the number here at WBAL.

PAUL DERIENZO:

Hopefully, people will keep calling through this interview -- as important as it is.

ANDREW PHILLIPS:

We urge you just as strongly as possible to support the radio station that's doing the work, supporting the journalists who are doing the work, and supporting ourselves -- each other -- as a community -- as a listener community. That's what it's about. We need each other. We are a listener-supported institution here at WBAL. We are a Pacifica station, and when you subscribe to WBAL, your dollar goes a very, very long way.

PAUL DERIENZO:
This is Bill Hamilton, the developer of the PROMIS software, which was marketed by Inslaw and then stolen, according to a bankruptcy court judge, from Inslaw.

BILL HAMILTON:
Inslaw has software that it manufactures for case management -- case tracking and workflow management in a professional office. One type of that software is called PROMIS and is for prosecution management information systems in public prosecution agencies.

The U.S. Department of Justice contracted with Inslaw, in 1982, for ten million dollars, to install a 1970's version of PROMIS, that we had created, in the twenty largest U.S. Attorneys offices. In 1983, the Justice Department modified the contract to replace the 1970's version with a 1980's version. That meant that the Justice Department would have to pay Inslaw license fees because they had no right, under the contract, to the 1980's version.

As soon as they took delivery of the 1980's version, however, the Justice Department reneged on the contractual promise to pay us the license fees, and instead, started to refuse to pay us the bills for the services we were performing. They withheld payments for two million dollars of services and drove us into Chapter Eleven bankruptcy. As soon as we went into Chapter Eleven bankruptcy, the Justice Department launched a covert effort to convert Inslaw from Chapter Eleven bankruptcy to Chapter Seven bankruptcy, which means complete liquidation.

We sued the Department of Justice in Federal bankruptcy court, the Justice Department "stole" forty-four copies of the 1980's version of PROMIS -- the proprietary version owned by Inslaw -- "through trickery, fraud and deceit", and then tried covertly to drive Inslaw out of business so that Inslaw could not seek legal redress in the courts.

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(continuation)
PAUL DERIENZO

Some of these reports said that copies of the software wound up in other places besides the Justice Department -- in other countries.

BILL HAMILTON:

We have been told, including by people who have been willing to give us sworn affidavits which we submitted in U.S. District Court this year (because they only came forward this year), that what we had been litigating was only the tip of the iceberg; that what they really had done with the software, in addition to not paying us for the copies that they put into the U.S. Attorneys' offices, is they copied it and gave it to private sector friends of Ronald Reagan and Ed Meese, so that those friends could sell it to intelligence and law enforcement agencies of countries all over the world. Our software has been illegally sold to Iraq, Great Britain, Canada, South Korea, Japan. Supposedly, as many as eighty-eight countries were induced to purchase our software by people who had no right to sell it; who were, themselves, supported in their illegal efforts by the United States Government in the White House.

PAUL DERENZO:

Could you go into the story of the Hadron Corporation's coming forward to offer to buy, or in some way, to try and get that software from you at an early stage in this?

BILL HAMILTON:

The contracting officer at the Justice Department, Peter Veidnix whom, we have since learned, had a preexisting relationship with Hadron in that, before the Justice Department hired him as the contracting officer for the Government in the Inslaw contract, he had been Hadron's contracting officer. He had actually been the U.S. Customs Service contracting officer with Hadron for several contracts that Hadron had at the U.S. Customs Service.

On April 11, 1983, Veidnix -- the guy we're talking about -- modified our contract, as I was describing to you, so that he could take delivery of the 1980's version of the software.

Approximately one week later, the chairman of Hadron telephoned me and told me that they had in his company the political contacts with Edwin Meese and the White House that would enable Hadron to obtain the Federal Government's case-management software business, but that they needed to acquire title to the PROMIS software first. And for that reason, they were going to purchase our company. I told them I was not interested in selling Inslaw, and the

chairman at the time, whose name was Dominick Liti, said: "We have ways of making you sell."

In May of '83, Peter Veidnix -- the guy with the preexisting, although then unknown, relationship with Hadron -- started withholding the payments to Inslaw until he could drive us into Chapter Eleven bankruptcy.

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BILL HAMILTON:

Lowell Jensen -- who was the elected District Attorney of Alameda County, California -- his office developed a case-tracking system called DALITE. And Jensen was quite interested in promoting that software for use among the fifty-eight county district attorneys' offices in California. In 1974, Inslaw defeated Jensen's proposal for the Los Angeles County District Attorney's office, and evidently, Jensen bore a grudge after that for having lost out to Inslaw in Los Angeles County which has the biggest district attorney's office in California.

When Reagan was elected, Reagan appointed Jensen to head the Criminal Division in Washington, in the Justice Department. And then when Meese became Attorney General in '85, Meese elevated Jensen to his deputy, to become Deputy Attorney General. Jensen played a very important role -- the bankruptcy court found -- in allowing the misconduct against Inslaw to go on, and in declining to stop it, even though he was contacted repeatedly by lawyers on behalf of Inslaw and asked to intervene to stop the misconduct. He never did a thing to stop it! In our investigation, we have been told that Jensen not only did nothing to stop the misconduct, but that he was in charge, while heading the Criminal Division, of orchestrating the effort to drive Inslaw out of business, so that the Justice Department -- once Meese became Attorney General -- could award the PROMIS software business to Earl Brian and other friends of Reagan and Bush.

PAUL DERIENZO:

Where does Mr. Casolaro come in? He was doing his own research, and he -- according to the newspaper accounts -- had developed a theory which he called "the Octopus". Are you aware of what

Mr. Casolaro was working on at the time of his death?

BILL HAMILTON:

Yes. I spoke to Danny Casolaro on almost a daily basis for the year that he worked on this investigation. He started August of 1990. And every day, or certainly every other day, I spoke to him. And what Danny had concluded was that a relatively small group of people with backgrounds in U.S. covert intelligence operations, and with contacts high up in the political leadership of the United States Government, were making a lot of money in a number of scandals: BCCI, Iran/Contra, October Surprise, and Inslaw. And they would use the craft that they learned in foreign covert operations to help themselves to large profits through criminal activities; and that some of the proceeds from the illegal sales of our software were laundered through BCCI.

PAUL DERIENZO:

of his friends and family seem to think it was, in fact, murder. He wasn't in the mood, or the kind of person to take his own life.

.....

HARRY MARTIN [of The Napa Valley Sentinel, Napa, California]: You can see the same threads in the October Surprise. You can see the same threads in Iran/Contra. You can see the same threads in the looting of the Savings & Loans; the same type of people; the same type of operations. They all seem to be interconnected. And Danny Casolaro's theory of an "Octopus" certainly parallels exactly what we have been working on for some time: that that is all interconnected.

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PAUL DERIENZO:

Now, you say here that the reason that Casolaro was in West Virginia when he was found dead was to meet with gentlemen by the names of Videnieks and Earl Brian.

HARRY MARTIN [of The Napa Valley Sentinel, Napa, California]: You know, Videnieks is the man who is believed to have threatened Bill Hamilton, or tried to extort the company from him. And Earl

Brian, of course -- there are many, many affidavits out which say he has actually been the one who is selling the software and has

PAUL DERIENZO:

Now just to recap -- Earl Brian is the former head of Financial News Network, the owner of the Infotech Corporation which owned the Hadron Corporation, of which the CEO of Hadron at the time called Bill Hamilton up, as president of Inslaw, and said: "We have ways of making you sell." When Inslaw refused to sell, they found that they were then forced into bankruptcy.

HARRY MARTIN:

Judge Basin ruled that the Federal Government owed Bill Hamilton about eight million dollars. And, of course, right after the judge basically ruled that, the prosecutor for the Justice Department, who was trying to prevent any payment going to Inslaw, replaced the judge on the bench. So the prosecutor in the Inslaw case, and who was against Hamilton and for Meese, ended up -- of course, it was Thornburg at the time -- ended up taking over the judge's job and the judge was not reappointed.

PAUL DERIENZO:

How did you find out that Casolaro was going to meet Videnieks and Brian?

HARRY MARTIN:

Several reporters have networked and found certain notes that he had made certain calls to people. And we have some people now who had very, very close communication with Casolaro at all times. And, in fact, they were supplying him with some of the information.

PAUL DERIENZO:

And so they were able to report to you who he was off to see?

HARRY MARTIN:

That's correct. We didn't take the report from one individual. We took it from several and they all coincided. In fact, we would like to know who was at the Hilton in West Virginia. Room 900 is one of the phone numbers that was in Casolaro's files. We have a whole list of the different phone numbers that Casolaro apparently had called just before he died. And these came from the various

sources who were giving that information to Casolaro.

PAUL DERIENZO:

And did he ever meet with Videnieks and Brian on that trip to West Virginia?

HARRY MARTIN:

No. He did not. Now, I understand that Michael Riconosciuto, who I indicated had given the deposition to the Brooks Committee, had an attorney in Philadelphia. And the attorney was verifying Riconosciuto's information on the Inslaw case. He was to meet with a person, and he was found shot to death in his car. And they considered that a suicide as well.

PAUL DERIENZO:

Right. There have been a number of

HARRY MARTIN:

It just goes on and on and on to various people. And, of course, we had the gentleman from the Financial Times in London who was trying to find Johnny Hughes -- who was the bagman to the whole tie-in. And, of course, he was found shot. And they said that was suicide as well.

PAUL DERIENZO:

Right. That was in Guatemala.

HARRY MARTIN:

Right. And, of course, we have talked with the people who helped Johnny Hughes get out of the Cabazon Indian tribe reservation at the time that the murders had taken place. The security people had talked to us long ago on this. We did a whole series on the Cabazon before any of this was known. And now they're getting a lot more focus and it's becoming very interesting.

PAUL DERIENZO:

What's the connection between Wackenhut and the Cabazon Indians? What is Wackenhut?

HARRY MARTIN:

Wackenhut is your RoboCop of the future. It has almost four

hundred thousand employees. It has taken over the prisons in places like San Antonio and Terminal Island, and they are making a bid now to take over fire departments and police departments. You'll find it's almost like a private army. If you saw the movie: RoboCop, the corporation that was running that police department -- this is exactly what Wackenhut is becoming. In other words, it's taking over the functions of law enforcement on contract base. And they were formed by former FBI people. And some of the top CIA people went into that organization when they retired from their system.

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HARRY MARTIN [of the Napa Sentinel, Napa California]:
Wackenhut was using the Cabazon Indian tribe because they felt that the Indian nation was independent, and therefore, they could manufacture and do whatever they needed to do at that base without violating any U.S. laws.

PAUL DERIENZO:

Where is that located -- the Cabazon Reservation?

HARRY MARTIN:

It's in Indio [California], near Palm Springs.

PAUL DERIENZO:

And is it a large tract?

HARRY MARTIN:

It's not a huge thing, but they have been able to convert it into gambling casinos and manufacturing plants and everything else. And of course, there has been a major upheaval among the Indians, trying to take back their tribe.

PAUL DERIENZO:

How did Wackenhut get into this situation, in control of this tribe?

HARRY MARTIN:

Basically, Dr. Nichols -- who was associated with the assassination of Allende [JD: the assassination of the democratically elected President of Chile, circa 1976] and the attempted assassinations of Castro -- came in and said, "We're going to make money for you",

built the casinos up and then brought Wackenhut in. And he has subsequently been sent to jail for attempted murders. The California Department of Justice has a file on him that shows Mafia ties and C.I.A. ties and everything else. It's EXTREMELY complex. I mean, it's hard to do [understand] in a few minutes when we've been doing it for a year.

ANDREW PHILLIPS:

This is WBAI in New York. We're in a membership drive. We're on a line to California with Harry Martin of the Napa Sentinel.

PAUL DERIENZO:

It's just so amazing -- this story -- because it really started with a blurb in the New York Times that said a reporter looking into a case was found dead. And now we're talking about people who were involved in the so-called "Secret Team", the "Octopus", almost like a secret government within a government in the United States. And Mr. Nichols was one of those people who was mentioned earlier by Bill Hamilton as a leading member of the "Octopus". So you're saying that Mr. Nichols is the head of Wackenhut, or he's connected with Wackenhut?

HARRY MARTIN:

No. Basically, he was put in charge -- in other words, like chairman of the board, or something like that -- of the Cabazon Indians. But he has worked closely with them [Wackenhut] and his ties have been with them for years. And, as I say, you'll find in he was instrumental in the assassination of Allende in Chile. So, in other words, he has been a worker in the company for a long time.

ANDREW PHILLIPS:

Just listening to this presentation, you're giving -- in such a matter-of-fact tone of voice -- the most incredible information which you say you've been covering now for many months. And, I suppose, we've been seeing little bits and pieces of

HARRY MARTIN:

You have to understand, I've lived with this for a long time and perhaps to me it's just commonplace. Now, for instance, the San Francisco Chronicle, just last week, began a series on the Cabazon Indians. And it's been a long time before they've done

anything about it. And then they began to bring in all those areas: the Wackenhut [story], the manufacturing of the biochemical warfare agents, and so forth. So, they finally caught onto it.

.....

I guess, on the East Coast, you're not hearing that much about it.

But Bill Hamilton has been fighting this. His attorney, Elliot

Richardson [JD: the former Attorney General of the United States],

is very well known. And the courts ruled way back -- Judge Bason

ruled that this whole thing was deceitful, theft. Not only that,

but his opinion was originally upheld by another court. And now,

it has been overturned. And how they overturned it wasn't to say

that he was wrong in the decision that it was theft. What they

ruled was that he didn't have the jurisdiction to make such a

ruling. And Thornburgh has NOT cooperated AT ALL with the Brooks

Committee. When Sam Nunn was doing his own committee [hearings]

on Inslaw in the Senate, there was no cooperation to the point

that they ended up having to, basically, drop the hearings.

(to be continued)

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HARRY MARTIN:

But one of the Senate investigators is on record as saying that

he was told by members of the Justice Department that Inslaw

[affair] is so dirty and so deep that it is much bigger and more

explosive than Watergate.

PAUL DERIENZO:

I see, from my investigations over the years -- I understand the

type of organization that Wackenhut is. I've covered them in

writing before and read stuff about them, and I know their

connections to the C.I.A. It's interesting reading your article

here about some of the capabilities of PROMIS, the software that

was stolen from Inslaw. And that there's an updated version in

the works that would allow the deduction of future or potential

actions of a person being traced.

HARRY MARTIN:

It's really frightening to think what the computer age is going

to do to individuality.

PAUL DERIENZO:

Can you tell us a little bit about what this software does? It's worth a lot of money, on one hand. But, on the other hand, it seems that this software has a tremendous amount of power.

HARRY MARTIN:

It has power because, again, it was designed by Bill to trace and track everything. Consider the number of court cases and the number of witnesses, and the number of people in the witness protection program, and the number of criminals that exist in the United States. This was to be a nationwide system that could track all that. I mean, that's tremendous information. It's tremendous power. And it's quite an innovation. And, of course, it has been used by the Israelis and some of the others for tracking military. Now, we ran into a strange case ourselves. Back in the early '80's I was the publisher of several defense publications. And the Israelis came to us with a program to market to the different defense companies in the United States. It dealt with the complete military structure, and who's who and what's what. I mean, it even got down almost to the number of shoelaces: how many handguns -- everything. And the Israelis said that they couldn't market it.

Later on, what we found out was the reason that they couldn't technically market it -- besides that it was Mossad information -- but it also dealt, probably, with the Inslaw software which they should not have had. You know, they didn't have the license to it. I found those military reports and I notified Bill Hamilton. I found them in a box in storage. I had forgotten all about them, and the letters that went with them. The fact is, if you see those reports, it tells you EVERY SINGLE ITEM of any military organization. I'm talking about: every vehicle, every handgun, every rifle. It gets into numbers and details. And that's what this software has this tremendous power to do.

ANDREW PHILLIPS:

do you put on this kind of software?

HARRY MARTIN:

Inslaw had a ten million dollar contract just to do the Justice Department. Mind you now, we're talking about intelligence agencies throughout the United States and many countries, and we're talking about even the Royal Canadian Mounted Police. So, if it's ten million dollars just for the U.S. Justice Department,

what is it to military intelligence and to all these other organizations around the world? It's got to be mind-boggling. But remember -- it wasn't because of the particular dollar value of Inslaw as much as the "Eagle" project to replace all computers in the whole Justice System. But it required the Inslaw software program in it. That's where the value was -- in setting up all that hardware. And they needed to get the Inslaw in order to get the contract fulfilled.

(to be continued)

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PAUL DERIENZO:
(continuation)

It's my understanding that there are a number of companies -- that were built up along the lines of the Wackenhut security group -- that, in fact, owe their beginnings to intelligence personnel who were purged in the '70's after the revelations of the involvement in Chile and with the involvement in the assassination attempts in Cuba, and the Bay of Pigs, etc. etc.; and that the Brooks Intelligence Committee led to a certain amount of light being shined on these activities, and a number of these people were retired early, and they went into the private security field.

Also, these people, who went into the private security field, made an alliance with a number of wealthy rightwing individuals who collected private personal files, tracking liberals and potential trouble-makers to the numbers of thousands and tens of thousands of names. As a matter of fact, I did a story a few years ago on a case where the Los Angeles Police Department was told that they had to get rid of these files that they had been keeping from the 60's and 70's on radicals or whatever, liberals, really -- judges, etc. They lied and said they had destroyed this material, and then it was discovered in one of their officers' storage facility. And it was then discovered soon afterward that the contents of the files had been sent to an agency of the John Birch Society that specifically followed and created its own database on individuals.

So, you can believe that there are out there private organizations, that are well funded, that keep track of people whom they feel that the C.I.A. and the F.B.I. have been scared away from following.

HARRY MARTIN:

Yes. For instance, Riconosciuto was shown, by a Congressional committee, a list from Wackenhut which is a complete (I don't know if you want to call it a hit list) dossier on various newspaper reporters throughout the country; for instance, on a newspaper reporter in Seattle who was successful in blocking two nuclear power plants from being built. And this is a complete dossier on all these reporters, as well. So they were tracking those things. And maybe this is where Danny and some of those names got on that list. I have not gotten a copy of the list yet. It is in Congressman Miller's [of California?] office from what I understand. We're trying to get the list because I think that would be a pretty shocking revelation for the national media to carry. As you know, sometimes the national media will not carry anything until someone like Danny Casolaro, a reporter, goes down. Then they'll write a story about it. But the main issue is lost. They're more concerned with the death of a reporter.

PAUL DERIENZO:

How did this list become publicized? How did it get into the Congressman's hands?

HARRY MARTIN:

Well, apparently it was part of an investigation. I'm not sure if it's from the Brooks Committee. But apparently it's a list that was compiled on the behavior of different journalists. Basically, it has [identifies] people who have not gone along with the system of what they [the trackers] believe the system should be.

PAUL DERIENZO:

But it seems that on the bottom of it, after all the complexity is stripped away, it's the same old story of following potential trouble-makers and liberals, investigators, etc., ad nauseum.

ANDREW PHILLIPS:

The question I want to ask is: Do you think the American people are ready to hear this? Because if we do hear this -- then what the HELL are we going to do about it?

(to be continued)

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(continuation)

HARRY MARTIN [of the Napa Sentinel, Napa, California]:
If you get any films -- you rent your films each night for your
VCR -- those same themes are there. For instance, police brutality,
or RoboCop is an example of the Wackenhut Corporation as far as
the private companies taking over law enforcement duties. You get
into movies in the C.I.A. [vein] showing that they're getting away
with these things. You see, the public is constantly exposed to
it, and they probably say: "Yeah, but what's it got to do with me?"

.....

Right now, I think, as long as the economy is fair, and there's
food on the table, and their individual lives are not threatened,
they can accept scandal in government. That doesn't mean they like
it or want it. But it's like: "Well, I'm powerless to do anything
about it." And it's really the responsibility of the media to get
that out. I think there's been a lot of fault in the main media
for ignoring the "Insaws" and ignoring the "October Surprises",
and for ignoring a lot of these things. They don't have to agree
with the program, but they can certainly start their own
investigations and let their findings be revealed.

You know, if the October Surprise didn't take place -- fine. Then
these major media should come out and say: "The evidence doesn't
show it. Or, here's what we proved, and we found this guy to be
here instead of there." But they totally ignore it because the
corporate board room is controlling the major media now, saying:
"We don't want to bother with it!" And it's a shame.

PAUL DERENZO:

Mr. Martin -- one final question. When the law enforcement officials
seemed to start -- whether in the Justice Department or the C.I.A.
or the F.B.I. or at local levels -- start taking positions,
political positions in support of certain factions that they feel
comfortable with, politically; what does that mean for American
democracy? Does our democracy

HARRY MARTIN:

We had a police chief here, for instance, endorsing candidates
for the assembly, and even for district attorney. Now, the district
attorney's office has got to be somewhat neutral from the police
department. We fought those endorsements and got the district

attorney thrown out of office. But basically, it means that when partisan politics creeps into the law enforcement field, then we are going to have some real problems because it means that the politicians are going to be able to dictate more and more, and they'll be beholdng, also, to the support of the police departments, and therefore, they'll be less ready to correct bad situations like in Los Angeles with the King case. It's not good! It taints the system.

PAUL DERIENZO:

This whole day's programming really started with a desire to look into a newspaper clip about a reporter who was killed, and it turned into one of the more interesting and deep stories that I've encountered in recent years. At least not since WBAI was involved in uncovering the Iran-Contra drug connection in which we discovered that cocaine was being shipped back [to the U.S.A.] in the same planes that were carrying arms down to the Contras. And you brought up the question of the Cabazon Indians and their being taken advantage of by these people who are now manufacturing what -- chemical warfare [agents]?

HARRY MARTIN:

Chemical warfare [agents] are being manufactured there [on the Cabazon Indian reservation] to be sent down to the Contras. So it means that that war down there was not just bullets.

(to be continued)

Let's hope, for the welfare of our people and for America's future generations, that we will demonstrate one tiny bit of the courage of Danny Casolaro by demanding that our Congresssormen inaugurate a Congressional investigation into this slimy affair.

This story ought to be brought to the attention of the American people. Save the installments of this ongoing series. Mail them to conscientious people in your Congressional district whom you might know. Or find them in the Yellow Pages of your telephone directory under "clergy", "senior citizens" and "associations". Urge them to demand that their Congresspersons launch an investigation into this slimy affair.

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EDITORIAL NOTE - This file contains material originally posted to Usenet by John DiNardo in 3 installments. To save space, only the first of the usenet headers has been included. John's opening and closing comments identifying the article being transcribed and urging concerned citizens to act have been similarly edited. Note although the closing portion of the transcript concludes with (to be continued) John has not posted anything more from the Village Voice article. He has posted other transcripts relating to the Casolaro case which I have included in other files.

-Steve Crocker
12/25/91

Article 566 of alt.conspiracy:
Newsgroups: alt.conspiracy,alt.activism,misc.headlines,misc.legal,
Path: cbnews1:jad
From: jad@cbnews1.cb.att.com (John DiNardo)
Subject: The Casolaro Murder --> The Feds' Theft of Inslaw Software

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The following excerpts are fragments selected from a lengthy article published in the VILLAGE VOICE, October 15, 1991. The article glances upon a great many diverse and fascinating facets of the story surrounding the violent death of an intrepid reporter named Danny Casolaro.

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THE LAST DAYS OF DANNY CASOLARO
by James Ridgeway and Doug Vaughan

MARTINSBURG, WEST VIRGINIA --

At about 12:30 in the afternoon of Saturday, August 10, a maid knocked on the door of room 517 at the Sheraton Martinsburg Inn, just off Interstate 81 on the outskirts of this old mill town. Nobody answered, so she used her passkey to open the door; though it had both a security bolt and a chain lock on the inside, neither one was attached. The bed didn't appear slept in, though it was turned down, and clothes had been laid out neatly at its foot. Then the maid glanced into the bathroom. She saw a lot of blood on the tile floor and screamed.

Another hotel maid came rushing in to help. When she peaked inside the bathroom, she saw a man's nude body lying in the blood-filled tub. There was blood not only on the tile floor but spattered up

onto the wall above as well; she nearly fainted at the sight. One of the maids called the desk on the room phone and, after sending up a maintenance man, the desk immediately dialed 911.

Within five minutes, three Martinsburg city police officers were threading their way past the horrified maids and maintenance man clustered in the hallway and into Room 517. A team of paramedics from the local fire department joined them a few minutes later. Squeezing into the tiny bathroom, they found a white male in his early forties with deep cuts on both wrists: three or four wounds on the right and seven or eight on the left, made with a sharp, bladed object.

There was no other trauma to the body that would indicate any sort of struggle; there was a half-empty, corked bottle of red wine on the floor by the tub and a broken hotel glass beside it. When they lifted the body out, they found a single-edge razor blade -- the kind used to scrape windows or slice open packages -- at the bottom of the bloody water in the bath, along with an empty can of Milwaukee beer, a paper hotel glass coaster, and two white plastic garbage bags, the kind used in wastepaper baskets.

On the desk in the bedroom the cops found an empty Mead composition notebook and a legal pad from which a single page had been removed. The page lay near a plastic Bic pen, and in its ink there was a note:

To those who I love the most,
Please forgive me for the worst
possible thing I could have done.
Most of all I'm sorry to my son.
I know deep down inside that God
will let me in.

There were no other papers, folders, documents of any sort, nor any briefcase in the room, only the man's wallet, stuffed with credit cards. According to the driver's license, the man's name was J. Daniel Casolaro of Fairfax, Virginia.

Although his death was tentatively ruled a suicide, back in Washington, D.C., his friends and family quickly protested that decision, and reports in the media were soon suggesting that Danny Casolaro had been murdered. For in this, the year of conspiracies, Danny Casolaro happened to be one of a small army of freelance journalists exploring the possibility that the powers of the national security state had been used to manipulate domestic politics. In particular, Casolaro was interested in what he called the "Octopus," a network of individuals and institutions that he believed had secretly masterminded a whole series of scandals, from the Iran-Contra affair and the S&L debacle to the BCCI collapse and the 1980 October Surprise deal.

In the weeks before his death Casolaro had spoken frequently about threats on his life, and just before he left for Martinsburg he

had told his brother, "If anything happens to me, don't believe it's an accident." Many of the friends and sources who spoke to him in the last days of his life recalled that he seemed euphoric and quite certain that he was on the brink of proving the existence of his octopus; he did not sound like a candidate for suicide to them. More suspicious, before the family could be told of Casolaro's death or an autopsy performed, the body was embalmed by a local funeral home; early press reports added that the hotel room had been quickly cleaned, perhaps to obscure any trace of a crime. The wildest story even suggested that the undertaker was an employee of the C.I.A., hired to clean up after agency assassinations.

Even at Casolaro's funeral, the family felt engulfed by mysteries. As his mother, brothers, sisters and close friends watched from beneath a canopy, a man in a tan raincoat and a beribboned black soldier in Army dress uniform walked up to the casket. The soldier laid a medal on the lid, saluted and both men quickly walked away. No one recognized either man; Danny had never served in or covered the military. The medal was buried with the coffin.

(to be continued)

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Riconosciuto told Hamilton that Ed Meese had taken PROMIS and allegedly given it to one of his cronies, Earl W. Brian, who served as Reagan's Secretary of Health while he was Governor of California, and later became head of United Press International. According to Riconosciuto, Brian then sold PROMIS to police forces -- including secret police -- around the world, from South Korea to Israel to Iraq. The same qualities that made PROMIS ideal for tracking criminals in the U.S. courts made it perfect for keeping tabs on terrorists or, needless to say, political dissidents. As Riconosciuto claimed to have adapted it, the software could then operate as a kind of computer network bug -- anything the security apparatus that used PROMIS knew, the U.S. could know, simply by linking up over the telephone.

Almost at once, Hamilton says, he told Casolaro about Riconosciuto. Casolaro's phone records indicate he spent many hours in conversation with Riconosciuto, and Casolaro's friends say that for several months in late 1990, Casolaro talked of little else.

The 44-year-old Riconosciuto is -- to put it mildly -- a colorful character, wilder than anything in "The Falcon and the Snowman". He was a gifted child: when he was just 10 years old, Michael wired his parents' neighborhood with a working private telephone system that undercut Ma Bell; in the eighth grade, he won a science fair with a model for a three-dimensional sonar system. By the time he was a teenager, he had won so many science fairs with exhibits of laser technology that he was invited to be a summer research assistant at Stanford's prestigious Cooper Vapor Laser Laboratory. Dr. Arthur Schalow, a Nobel laureate, remembers him even now. "You don't forget a 16-year-old youngster who shows up

with his own argon laser," he told Casolaro.

In 1973, Riconoscuto had been sentenced by a federal judge in Seattle to two years in prison for the manufacture of psychedelic drugs and jumping bail. At the time, his father testified that Michael was engaged in "underwater research" and had discussed "using electronic means to clean up pollutants in water." The narcotics agents who arrested the young Riconoscuto said they'd had him under surveillance off and on since 1968.

Riconoscuto told Casolaro, as he had told numerous other reporters before him, that after his release he had become research director for a joint venture between Wackenhut, the Coral Gables [Florida] private security outfit, and the Cabazon Indian band of Indio, California, that was developing and manufacturing arms and other military materiel -- including night-vision goggles, machine guns, and biological and chemical weapons -- for export.

Riconoscuto claimed that he had invented the fuel-air explosive; he also said that he had encountered a variety of famous people who dropped by the Cabazon reservation from time to time. For example, he claimed that he had met the Jackal, the famous assassin; talked on the phone with Admiral Bobby Inman of the C.I.A.; and even tape-recorded a secret meeting with William Casey at a Washington, D.C. country club (according to Riconoscuto, that tape was his insurance policy against getting bumped off by the big boys in the spook world).

Riconoscuto went on to "reveal" that he was the man who had "pulled the plug" on the Nugan Hand Bank, the Australian bank with C.I.A. ties that collapsed in 1980; he also claimed to be an effective lobbyist on Capitol Hill, responsible for swinging five key votes to free up \$100 million for the secret contra war against the Sandinistas. Once, after lunch with then F.B.I. Director William Webster, he had laid plans to launder spook money through NASA.

This was all a bit much for the Hamiltons to take in, but the computer company owners listened with fascination and deep suspicion to his tales involving PROMIS. In an affidavit presented in federal court, Riconoscuto told them that Casey -- who had been outside counsel to Wackenhut before joining the Reagan White House -- had hired him and Brian, as employees of Wackenhut, to carry out the October Surprise deal. Riconoscuto described how a Justice Department official had allegedly ordered him to modify PROMIS for use by the Royal Canadian Mounted Police. He claimed that Meese had rewarded Brian for his assistance during the October Surprise by giving him the software outright, which he could then sell at a considerable profit around the world. (Brian has denied any connection to the Inslaw case.)

Casolaro and the Hamiltons thought Riconoscuto's tale was largely wacko, but they found certain things he told them to be true -- particularly that the Wackenhut joint venture existed, and that

the Mounties had apparently misappropriated PROMIS (the Canadian police have denied using PROMIS). They theorized that maybe Rico nosciuto was using his contacts with the Hamiltons as leverage with other people who were threatening him: If his enemies didn't cooperate with Rico nosciuto, then he would spill more and more secrets to Casolario and the Hamiltons.

In April 1991, SHORTLY AFTER giving his affidavit in the Inslaw case, Rico nosciuto was arrested for the manufacture and sale of methamphetamine in Washington state. He has been in jail since then, often claiming to be a "political prisoner."

(to be continued)

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THE LAST DAYS OF DANNY CASOLARIO

by James Ridgeway and Doug Vaughan

(continuation)

At 8:30 that evening, Olga returned to Casolario's house to look for him. The phone rang. A man's voice said, "You son of a bitch. You're dead."

.....

Martinsburg police detective Sergeant George Swartswood called Danny Casolario's mother's house and told the family that Casolario was dead, an apparent suicide. By the middle of that day, National Public Radio was broadcasting the first reports about Casolario's mysterious death and "the octopus."

.....

This is how [Danny's brother] Tony Casolario [a physician] remembers that day:

"My mother first called about 9:30 on Monday morning. She called me within 20 minutes. When I spoke to [Swartswood], he said, 'We found your brother at the Sheraton in Martinsburg. It looks like he committed suicide.' And I said, 'Well how did he do it?' And he said, 'We're not sure yet. We found some broken glass, and we found a razor, and his arms were cut.' I said, 'You mean wrists?' And he said, 'Yeah, wrists and arms.' I said, 'Did you know he was a reporter working on a story?' He said, 'No. What are you talking about?' I said, 'He told me four weeks ago: if he got killed in an accident, not to believe it because he was threatened.' He said, 'Oh.'"

I said, 'Did you find any of his papers? He had all these papers with him.' He said, 'I don't think we found any papers.' I said, 'Are you going to do an autopsy?' He said, 'No. I don't think so.'"

"And then he sort of stepped back and said I ought to talk to the medical examiner. I said, 'Who decided not to [conduct an autopsy]?' He said, 'the corner, Sandra Brining.' I didn't think of all the things I should have asked him at the time."

After talking to Sandra Brining, Tony Casolario finally got through

1) Casolaro's briefcase was missing when his body was discovered, despite the fact that he always guarded that briefcase with his life.

2) His body was embalmed illegally, before an autopsy could be conducted.

This story ought to be brought to the attention of the American people. Save the installments of this ongoing series. Mail them to conscientious citizens whom you might know. Or find them in the Yellow Pages of your telephone directory under "clergy", "senior citizens", and "associations". Urge them to demand that their Congressperson call for a special investigation, headed by a special prosecutor, to delve into this sinister web of treachery that now undermines the supposed democratic society which is now ours, and which will be passed on to our children's generation.

John DiNardo

EDITORIAL NOTE - This file contains material originally posted to Usenet by John DiNardo in 5 installments. To save space, only the first of the

usenet headers has been included. In addition, John's opening and closing comments supporting station WBAI and urging concerned citizens to pass along this information are in fact composites of John's opening and closing remarks in various of the 5 collected posts. Note although the closing portion of the transcript concludes with (to be continued) John has not as yet posted further portions of this interview, although he has posted other transcripts relating to the Casolaro case which I have collected in other files.

-Steve Crocker
12/25/91

Article 7650 of soc.rights.human:

Newsgroups: alt.conspiracy,alt.activism,misc.headlines,misc.legal,
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From: jad@cbnews1.cb.att.com (John DiNardo)

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Part XVIII

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The following transcript was made from a tape of a

September 29, 1991 broadcast by Pacifica Radio Network
affiliate WBAI-FM (99.5)

505 Eighth Ave., 19th Fl.
New York, NY 10018

(212) 279-0707

I missed the first few minutes of the interview, but the
background of the story is thus:

Fred Alvarez, the deputy tribal chief of the Cabazon Indian tribe,
found out that the monetary proceeds from the Bingo Palace --
set up on his tribe's reservation presumably to reward the tribe
for permitting the Wackenhut Security Corporation to use the
reservation for weapons and biochemical warfare development --
were being laundered and used to finance the Contras in Nicaragua.

* * * * *

VIRGINIA MCCOLLOUGH:

... and looked at the books he [Alvarez] realized that the Indians
were receiving no money, and in fact, the money was being fairly
evenly split between [members of] a partnership called the Bingo
Palace Inc. As a result of his investigation, there was anger and
outrage by the Nichols family and by those Indians on the reservation
who supported them. Fred experienced death threats. He experienced

sabotage to his motorcycle. He experienced terrorism, and finally he gave a series of interviews to the Desert Sun which was a newspaper in the general area. And at the time, he said, "As I give you these interviews, I'm a dead man."

Shortly thereafter, he and two other men, who just happened to be in his home at the time, were executed. There was evidence that Fred had been tortured. And they were shot, execution style.

Now, there was no autopsy done or [investigation] allowed of the scene. Shortly after that, the house that the murders took place in was razed to the ground. Linda Streeter Dukic, who is Fred Alvarez's sister, and his parents, Phyllis and Leroy Alvarez, succeeded in reopening the investigation briefly. In 1985, Gov. Dukemeyan of California ordered the attorney general's office to look into it.

But something happened at that time that was very strange because just shortly after they reopened the investigation, they immediately closed it. We now know that there was a key suspect in the contract murders of those three individuals. But no indictment was brought down. In fact, it's my belief that a cover-up took place at the state level.

PAUL DERIENZO:

Do you know the name of the person who was the suspect?

VIRGINIA MCCOLOUGH:

Well, I have a three-page letter, that was written June 26, 1991, that names the suspect. And I'll quote from the letter. You can imagine our shock when the investigators from the attorney general's office informed us that the boyfriend was, in fact, John Paul Nichols Jr., the key suspect.

PAUL DERIENZO:

That's the son of John P. Nichols, who at one time was the administrator of the Cabazon Indian reservation.

VIRGINIA MCCOLOUGH:

Yes, and who still holds tremendous power there. Just recently -- I think, in order to justify the distribution of funds -- the senior Mr. Nichols has been named counselor to the Indians down there on the Cabazon reservation.

PAUL DERIENZO:

Tell us a little bit about the Cabazon Indians. Where is this reservation located?

VIRGINIA MCCOLOUGH:

The reservation is located near Indio, California, which is just outside of Palm Springs. And the reservation itself is a reservation of large acreage. It has some seventeen hundred acres in the desert. It has the usual water and mineral rights on the reservation. But the membership of the tribe itself is very low:

twenty-four members at the time that the Nichols took over around 1978. And there were some changes in Indian land law that took place at the congressional level in 1978 that allowed white managers to come in over the tribes and manage the affairs of the reservations -- to actually broker the assets of the reservations, and to enter into contracts with other entities.

As part of the senior Mr. Nichols management of the Indian reservation, numerous joint ventures were entered into between the Nichols family, operating for the cabazons, and the Wackenhut Security Corporation out of Coral Gables, Florida. The Wackenhut Security Corporation has heavy C.I.A. ties and ties directly to the White House.

(to be continued)

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PAUL DERIENZO:

Describe some of the projects that were entertained on the cabazon reservation. Now, I hear that there was, besides the bingo parlors, off-track betting, a housing project called Indian Village Housing that was going to bring in luxury housing for whites on reservation land, and the construction, also, of a toxic waste dump, a power plant that, because of the status of the reservation, would not be covered by E.P.A. regulations.

VIRGINIA MCCOLLUGH:

There was all of that and much more. There were arms produced and manufactured, and proposed through a company called the cabazon Arms Corporation which, again, was Wackenhut and the cabazon Security Corporation. And that arms corporation had demonstrations of night-vision goggles, and chemical warfare weapons, and machine guns during the time that these items would be necessary to supply to the contras.

Many of the people who were instrumental in, and operatives in, the Iran/Contra [conspiracy] appeared on a range just outside of the reservation to view the weapons in the early 1980's. They also had a Cabazon Trading Company which dealt largely with tobacco and coffee imports. They had a cabazon gas & oil corporation that dealt with research connected directly to Hercules Research Corporation in Hercules, California, which was partially owned by Michael Riconosciuto. Michael Riconosciuto is a C.I.A. operative who was trying to leave "the company" [the C.I.A.'s nickname], and who has given a declaration [affidavit] in the Inslaw bankruptcy.

PAUL DERIENZO:

We played a tape of an interview, that was done at a Pacifica station in Los Angeles, with Michael Riconosciuto who is now in jail. And we spoke with Harry Martin earlier a bit about Michael Riconosciuto. He was involved with the Inslaw case in that he gave testimony shortly before he was arrested that he was involved in rewriting this software for intelligence purposes on the cabazon reservation, and that he was also involved in selling this software

to various intelligence agencies around the world -- this software that belongs to the Inslaw Company which Inslaw and bankruptcy judges maintain was taken illegally from Inslaw by the Justice Department.

VIRGINIA MCCOLLUGH:

Yes. In fact, I think the words were, "stolen by trickery, fraud and deceit" from Inslaw Corporation. That's the PROMIS software.

And it's ostensibly in use, as we speak, within the United States Justice Department, but also in the intelligence communities of Canada, Austria, Australia, India, Iraq, Iran and parts of Saudi Arabia.

PAUL DERIENZO:

Now, what is the connection between the Inslaw case, the Cabazon tribe, and Mr. Riconosciuto?

VIRGINIA MCCOLLUGH:

The declaration that Michael Riconosciuto presented, in the Inslaw case on March 21, 1991, was absolutely devastating because he alleged that Dr. Earl Brian, who owns UPI and FNN News Network, actually took the software through an operative by the name of Peter Videnieks who was the government auditor for the Inslaw contract with the Justice Department. Mr. Videnieks obtained the software, gave it to Dr. Earl Brian, and Dr. Earl Brian presented it to Michael Riconosciuto with instructions that it be altered or adapted for use by the Canadian and other intelligence communities. Michael complied and did as he was told and he did, in fact, alter that software. And he named the locations where the work took place in the declaration of March 21st.

But in addition to that, he also went into great detail about the threats that had been made against him by Peter Videnieks who was the Justice Department employee. And, in effect, what Mr. Videnieks told Michael Riconosciuto, according to the declaration, was that he would be subject to prosecution in a case that had yet to be announced by the Justice Department -- a case involving a Mr. Robert Ferrante and Consolidated Savings & Loan of Southern California -- if he continued to cooperate with the Inslaw people in testifying before Jack Brooks' House Judiciary Committee.

PAUL DERIENZO:

And he was, in fact, arrested.

VIRGINIA MCCOLLUGH:

Eight days later. He was arrested and he was held on one count of conspiracy to distribute metaamphetamine. He is being held at Pearce County Jail in the state of Washington.

(to be continued)

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VIRGINIA MCCOLLUGH:

Earl Brian was detained at length by a reporter for the financial Post by the name of Eric Reguly on August 19, 1991. Now, Mr. Reguly had received the same death threats as the slain reporter Danny

Casolaro when he started looking into Mr. Earl Brian. And anyone who has researched Earl Brian's early life is left with many, many questions about everything from whether the man is truly a doctor -- he did not finish his internship at Stanford; he left a quarter short of [finishing] his internship at Stanford University -- to exactly what role he played in the Vietnam War that would result in all of the many medals which the United States Government claims he received in the two years he served there as a physician.

Mr. Reguly's article was entitled: "Questions grow as Big Daddy Watches His Empire Crumble". Big Daddy is the nickname for Dr. Earl Brian. And he had an extensive financial network, from a company called Biotech Capital Corporation -- where Mrs. Edwin Meese had invested -- to the Financial News Network where he was accused of cooking the books by his own auditors. In addition to that, this article goes into great detail about Dr. Earl Brian's links to the U.S. and Israeli intelligence communities. Many people have testified in the article that Dr. Earl Brian's nickname in the intelligence community was "Cash". And that would tie directly into what Michael Riconosciuto is alleging: that both he and Earl Brian, together, arranged for the transfer of forty million dollars for the "October Surprise" to retain the American hostages past the inauguration of Ronald Reagan.

PAUL DERIENZO:

Could you just cite that article for us one more time?

VIRGINIA MCCOLLOUGH:

Certainly! August 19, 1991, in the Financial Post, by Eric Reguly. Eric Reguly is the bureau chief for the Financial Post which is Canada's equivalent of the Financial Times. Now, anyone who has been following the story of the deaths that have occurred since Michael Riconosciuto began talking on March 21st, might be aware of the fact that one of Mr. Reguly's compatriots -- a man by the name of Anson Ng, who was a stringer for the Financial Times -- was executed in Guatemala as he began investigating the links between the Cabazon Indian reservation and the execution of Fred Alvarez, BCCI, and the Bank of America.

PAUL DERIENZO:

We're speaking with Virginia McCollough, free-lance reporter, here on WBAI. We're in the middle of a pledge marathon, and we're discussing the Inslaw case and its connection to BCCI and "October Surprise", and a whole list of activities that seem to be so intertwined and folding back in all different directions as to make one believe that the theory of an "Octopus" was true -- that maybe Danny Casolaro was getting close to something when he was killed looking for the last link in the chain, the conspiracy, which he called the "Octopus".

It's just about 2:30 here in New York. And we need some volunteers to come and help us answer phones for our pledge marathon.

How does this tie in? I've heard it said that these people who

were being named as involved in the "October Surprise", the situation on the Cabazon reservation, the Iran-contra affair (and how that relates to this conspiracy that seems to be developing with a lot of connections) these are not the real C.I.A. These are people who seem to be working on the outside of the C.I.A. itself -- people who seem to be associates of Edwin Meese, associates of Ronald Reagan -- people who seem to be using their positions that they had, being associates of people in power, to enrich themselves. Is this, in fact, the case? Or are there any connections to what we would call the real C.I.A.?

VIRGINIA MCCOLLUGH:

Well, it's my understanding, from talking to a lot of the people who have come forward to me lately, that there is a war within the C.I.A. itself. There are two warring factions. There is a faction they call "B.B.", the Bush Boys, and a faction of (I guess you could identify them as a faction of) old world C.I.A. Naval Intelligence Group. And the Naval Intelligence Group is of the opinion that the C.I.A. has been prostituted by the Bush Boys for personal benefit and for directing the political philosophy of the United States under both Reagan and Bush.

There have been several mysterious plane crashes, that, as you might be aware, have had many C.I.A. operatives on them. The most famous of them, of course, was the Lockerbie [Scotland], [Pan Am] 103 crash. And this war seems to have gone on for quite some time.

(to be continued)

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(continuation)

VIRGINIA MCCOLLUGH:

And this war [within the C.I.A.] seems to have gone on for quite some time, possibly as far back as the early Reagan years. Maybe as far back as the Nixon years. Certainly, Michael Riconosciuto's family and the family of friends -- the W. Patrick Moriarty group -- were long-time ex parte kitchen cabinet members of the Nixon Administration. When Michael was first arrested on March 28th, I had been in touch with Bill Hamilton at this time, since November when Bill first started hearing from Michael. And Bill had phoned me (Bill Hamilton is the owner of Inslaw) and asked me if I knew or was aware of Michael Riconosciuto. And I had been because here in California in 1984 and 1985 there had been a scandal where the "safe and sane" firework king, W. Patrick Moriarty, had been arrested and put in jail for bribing government officials from the governor on down to the Speaker of the House, Willie Brown. And at that time, we did research into Mr. Moriarty and his "safe and sane" firework kingdom which was Red Devil Fireworks and Pyrotechnics, and was also connected to the Bank of Irvine. And we found out that his long-time personal friend and operative was a man named Marshall Riconosciuto. We also found out that when we wanted to investigate Marshall's son Michael, we came up against a stone wall. There was no available information other than we could determine; that he was a child prodigy and was an expert in both explosives and in computer hardware and software. It seemed

as though he had no previous life. And after I started talking to Michael after he was jailed in April -- on a fairly regular basis, sometimes two or three times a day -- the information, that he has given me and had FAXed to me from third parties, checks out. And I believe that he is exactly what he says he is. He's a C.I.A. operative who wants to leave "the company" and go home to Momma and the kids. And the government is going to make sure he doesn't do that.

PAUL DERENZO:

The idea of an "Octopus" or a "Secret Team", on the one hand, it matches. On the other hand, the Federal Emergency Management Agency's approach If we remember, back in 1987 it came out that Oliver North, in his role as organizer of "the Enterprise", which was doing the Iran-contra drugs for arms pipeline, had also made some contacts with the Federal Emergency Management Agency [FEMA] in the sense of dealing with [American citizens] opponents of U.S. foreign policy toward Central America in the case of a war between the United States and Nicaragua. And it came out that there were actually plans on file to sweep people up -- sweep activists up -- in case of a war in Central America.

Although you haven't mentioned anything that directly connects what we're saying to that, it seems to tie in with the enforcement arm of you mention companies like Wackenhut, for example, that have a long history of involvement in keeping files on people, and in tracking dissidents. The Inslaw PROMIS software itself had that purpose.

VIRGINIA MCCOLLOUGH:

Had that purpose, and more important, had the full capability of doing it. It is the Cadillac of software systems, if you will use that term, as far as tying directly into the cabazon with the Federal Emergency Management Agency's plan to arrest, jail and hold in detention camps political dissidents of all kinds.

Harry Martin has done an interesting article that appeared in his paper on the 24th [of September]. And I draw your audience's attention to the Napa Sentinel which is Harry Martin's paper. It seems to be at the forefront of a lot of information about all of "the Octopus's" many tentacles. Harry did an article regarding Dr. Earl Brian and Edwin Meese, and the origin of the original mind control, behavior control systems that were used initially in California, and probably were the forerunners of the FEMA plan to jail political dissidents. And it goes so far as to surgically alter their behavior, or to alter their behavior through drugs.

[JD: Such nazistic crimes against the sovereignty of the human individual are portrayed in Woody Allen's SLEEPER and in Stanley Kubrick's A CLOCKWORK ORANGE.]

And in talking with Linda Dukic, who is Fred Alvarez's sister, she informs me that virtually every Indian in the Cabazon Indian tribe has been sent, at one time or another, to various hospitals for

treatment of "drug" or "alcohol" addiction.

(to be continued)

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(continuation)

VIRGINIA MCCOLLUGH:

I find that particularly interesting because Dr. Paul Nichols is now an advisor to the Indians. And within the last ten days there was a white gentleman who had been a longtime employee of the Bingo Palace, there on the Cabazon reservation, and who refused to go to Dr. Nichols for treatment. As a consequence, he was fired from the Bingo Palace. The Nichols family, acting in total disregard for the Indians' (with whom this white gentleman was sharing a home) wishes, placed eviction notices on the doors of all of the "Cabazon dissidents". That's what they call the Indians who want the Nichols family out of control of that reservation.

The Nichols family can be traced in the old hardback edition of "INSIDE JOB" by Stephen Pizzo and Mary Fricke. And in that book, which traces the history of the failing Savings & Loans (it's considered a bible of what has happened with the Savings & Loans.) ... in that book, Dr. Nichols identifies himself as a C.I.A. operative involved in the assassination of [democratically elected President of Chile] Allende and the attempted assassination of [Cuban President] Castro.

PAUL DERIENZO:

So he has a long history in intelligence matters as an operative in the intelligence community.

VIRGINIA MCCOLLUGH:

A very long history. And if I were an American taxpayer, which I am, I would be very outraged at the amount of grants that the Nichols family, with known Mob connections, is able to obtain and go through. Then, when the grant money runs out, they simply bankrupt the DBA, the company they're doing business as on the Cabazon reservation. In that manner, they burn the creditors, and they go on to a new DBA and obtain more grant money.

PAUL DERIENZO:

Where is this investigation heading? Will there ever be actual indictments and jailings of the people involved in some of these criminal activities? Or does the fact that the government in the Justice Department was the entity that was cited for having stolen the PROMIS software "through trickery, fraud and deceit" in the first place preempt any attempt at getting justice regarding this matter?

VIRGINIA MCCOLLUGH:

Well, I think what has to happen is exactly what Danny Casolaro intended to happen. And that is to understandably tie all of these events together because they are, in fact, all linked [together]. And only under those conditions -- and if our Congress and our Senators regain their instinctual fortitude to do their job (and I don't mean just make themselves pay raises, but actually

monitor what's going on within the judiciary and within the executive branches of government, as they are supposed to to maintain our balance of power), maybe then the citizens can rely upon obtaining some answers.

It seems that when only a Congressman or a Senator is directly attacked is that Senator or Congressman able to pursue, for whatever reason, a proper investigation of what's going on. I'll give you an example. We have a Congressman by the name of George Miller here in California. He's out of the Martinez area. And the Wackenhut Corporation has been maintaining secret files on reporters around the United States. They call them "damage-control lists". And they maintain secret files on various reporters whom they feel are getting too close to the truth, and they seek to install some form of "damage control" against those reporters. That was never investigated. But just a couple of weeks ago, George Miller found that the Wackenhut Security Corporation had a file on Congressman George Miller because of his involvement in trying to maintain some environmental controls over the Alaska Pipeline Service Corporation. And now, finally, the House Interior & Insular Affairs Committee, last Wednesday, voted unanimously to subpoena the documents and testimony from that pipeline service company and the Wackenhut Security Corporation.

PAUL DeRIENZO:

Thank you very much Virginia McCollough, joining us from California, for that incredibly enlightening view into the inner workings of the Central Intelligence Agency and its various spin-offs, and the types of internal divisions that seem to be developing within the ruling class of the Government.

(to be continued)

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On October 22, 1991, Robert Knight, the host of UNDERCURRENTS, conducted an interview, which was broadcast over WBAI-FM (99.5) in New York City, with the Nixon Administration's U.S. Attorney General, Elliot Richardson. Richardson will always be remembered in history as the man who, when ordered by Nixon to fire Watergate Special Prosecutor Archibald Cox -- which was a reprehensible attempt to hinder justice and misuse presidential powers -- refused to fire Cox and, instead, resigned in protest.

Well, ironically, Elliot Richardson is now the legal representative of the Inslaw Software Company. And in this interview, he said that Attorney General Thornburgh never even answered his letter requesting a special investigation, headed by an independent special prosecutor with no ties of any sort to Administration circles. Richardson went on to say that two particularly suspicious details in the Casolaro murder, among others, make it more likely that Casolaro was murdered than that he committed suicide:

- 1) Casolaro's briefcase was missing when his body was discovered, despite the fact that he always guarded that briefcase with his

life.

- 2) His body was embalmed illegally, before an autopsy could be conducted.

This story ought to be brought to the attention of the American people. Save the installments of this ongoing series. Mail them to conscientious citizens whom you might know. Or find them in the Yellow Pages of your telephone directory under "clergy", "senior citizens", and "associations". Urge them to join former U.S. Attorney General Elliot Richardson in demanding that their Congressperson call for a special investigation, headed by a special prosecutor, to delve into this sinister web of treachery that now undermines the supposed democratic society which is in our care and which will be passed on to our children's generation.

John DiNardo

For those within broadcast range, other Pacifica stations are:

WFW-FM 89.3
Washington, D.C.
CA

KPFT-FM 90.1
Houston, TX

KPFA-FM 94.1
Berkeley, CA

KPFK-FM 90.7
Los Angeles,

...nonlove is the unwillingness to extend one's self. if we seriously listen to this "God within us" ["conscience", if you will], we usually find ourselves being urged to take the more difficult path, the path of more effort rather than less. So original sin does exist; it is our laziness. Evil is laziness carried to its ultimate, extraordinary extreme. As I have defined it, love is the antithesis of laziness. Ordinary laziness is a passive failure to love. Some ordinarily lazy people may not lift a finger to extend themselves unless they are compelled to do so. Their being is a manifestation of nonlove; still, they are not evil. Truly evil people, on the other hand, actively, rather than passively avoid extending themselves. They will take any action in their power to protect their own laziness, to preserve the integrity of their sick self. they will actually destroy others in this cause. If necessary, they will even kill to escape the pain of their own spiritual growth. As the integrity of their sick self is threatened by the spiritual health of those around them, they will seek by all manner of means to crush and demolish the spiritual health that may exist near them. I define evil, then, as the exercise of political power -- that is, the imposition of one's will upon others by overt or covert coercion -- in order to avoid extending one's self for the purpose of nurturing spiritual growth. Ordinary laziness is nonlove. Evil is antilove.

M. Scott Peck
-- THE ROAD LESS TRAVELED --

^Z

EDITORIAL NOTE - This file contains material originally reposted to Usenet by John DiNardo in 2 installments, having himself downloaded it from another Usenet newsgroup. Further material bearing on the subject was added by John following the end of the article. To save space, only the first of the Usenet headers has been included.

-Steve Crocker
2/18/91

Article 13686 (46 more) in misc.headlines:
From: jad@cbnews1.cb.att.com (John DiNardo)
Newsgroups: alt.conspiracy,alt.activism,talk.politics.misc,misc.headlines,
misc.legal,soc.rights.human,soc.culture.usa

Subject: Part XXIII, The Casolaro Murder --> The Feds' Theft of Inslaw Software
Keywords: Our government is being subverted and transformed into a dictatorship.

Message-ID: <1992Jan6.162439.21030@cbnews1.cb.att.com>

Date: 6 Jan 92 16:24:39 GMT

Followup-To: alt.conspiracy

Distribution: na

Organization: AT&T Bell Laboratories

Lines: 144

* * * * *

From: dave@ratmandu.corp.sgi.com (dave "who can do? ratmandu!" ratcliffe)
Newsgroups: misc.activism.progressive
Subject: the INSLAW case: "Napa Sentinel" series, part 8
Message-ID: <1991Nov7.193626.17899@pencil.cs.missouri.edu>
Sender: rich@pencil.cs.missouri.edu (Rich Winkel)
Approved: map@pencil.cs.missouri.edu

Harry Martin, Editor & Publisher of the "Napa Sentinel", has been doing some of the best investigative journalism published anywhere in recent years. This is part 8 of a 10-part series (plus 6 addendums) on the INSLAW case.

MURDER OF THREE INDIANS MAY BE PART OF HOUSE PROBE ON INSLAW CASE
By Harry V. Martin
Eighth in a NEW SERIES
(c) Copyright Napa Sentinel, 1991
April 16, 1991
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A security guard, who linked the CIA with the execution-style murder of one Indian and two other men who objected to the tribe's

manufacturing of weapons, chemical and biological warfare devices and the conversion of INSLAW's sensitive software, fled to Sonoma and Lake counties right after the murders. The security guard's secret hiding places were sanctioned by the Riverside County District Attorney's Office and the state Department of Justice.

The security guard testified in a video-taped interview about the murders and named names. The video-taping was taken by the Riverside County District Attorney's Office after a Cabazon Indian and his two companions were found slain. The security guard's testimony to the DA's Office revealed that he was the bag man who carried \$10,000 from the Indian Reservation in Indio to the top of an aerial tram in Palm Springs. The \$10,000 was "hit" money. According to the testimony, several ex-Green Berets, then employed as firemen in the City of Chicago, executed the three Indians.

Who paid for the executions? According to the testimony, a man who was once closely associated with Jimmy Hoffa and who then operated the Bingo Parlor on the Indian Reservation, provided the \$10,000 for the killing. The three slain men had raised serious objections to the Wackenhut-Cabazon joint venture. Wackenhut was involved as agents for the CIA to provide arms to the Contras and also to convert INSLAW's stolen PROMIS software for use by the Canadian Government. The Canadian Government has ordered an investigation into the pirated software scandal and the U.S. House Judiciary Committee is conducting its own investigation in what has been described as the U.S. Department of Justice's "trickery, deceit and theft" of the software. The U.S. Government has been connected with the illegal sale of the sensitive software to South Korea, Libya, Iraq, Israel and Canada, as well as being pirated by a number of U.S. agencies, including the CIA, National Security Agency and other military units. The software is also in use by the FBI. Only the U.S. Justice Department was licensed to use the software, which tracks criminals and can be used for military tracking, as well. INSLAW was awarded \$6.8 million by two federal courts against the U.S. Justice Department.

The scandal has deepened considerably, especially since the testimony of Michael J. Riconosciuto, who worked closely with the Wackenhut company, and Dr. Earl Brian--a close aid and financial business associate of former U.S. Attorney General Edwin Meese and former California Cabinet official in the Ronald Reagan governorship. The scandal has caught several members of the U.S. Justice Department, the National Security Council, the federal bankruptcy court, and other government officials in a vice. Newspapers from Canada and the United States rate the INSLAW case equal to the Iran-Contra scandal and Watergate.

Riconosciuto provided an affidavit which compromised the U.S. Justice Department and covert CIA operations. The affidavit stated that Riconosciuto was warned by U.S. Justice Department officials that if he cooperated with the House Judiciary investigation of the INSLAW case, he would be arrested. Within eight days of signing the affidavit, Riconosciuto was arrested in the State of Washington and held without bail. He was later charged with one count of distribution of methamphetamines -- a crime that usually has a low bail. Riconosciuto was being held for U.S. Marshals. Investigators from the House Judiciary Committee interviewed Riconosciuto in a

Tacoma jail last week.

Riconosciuto's mention of the Wackenhut-Cabazon joint venture, sparked more controversy. The House Judiciary Committee is now also reviewing information on the Indian murders.

The "Sentinel" was able to obtain an exclusive interview with people closely associated with the Cabazon nation and the murders. The security guard, who was the bag man, had just left the military service as an airborne ranger working on covert assignments. He was hired as a security guard for the Cabazon nation. Another man, a licensed investigator, was hired to question the security guard about what he knew. It was learned that a key Indian of the tribe was making strong objections to the laundering of money from the Bingo Parlor. The main antagonist was Fred Alvarez.

The security guard was given \$10,000 to give to a hit man in Palm Springs. He has subsequently video-taped his confession to the Riverside County District Attorney's office. Alvarez, in an exclusive interview with the "Desert Sun," complained about the U.S. Government's abuses of the Indian nation. He told the "Sun" that people were going to kill him. Alvarez was murdered in execution style after the interview.

The Riverside District Attorney's Office and the California Department of Justice commenced their separate investigations of the murders. A report was issued by the state linking the people behind the Cabazons with direct links to organized crime--a chief Mafia Family, the Gambino Family--and the CIA. The Cabazon reservation, however, is an independent nation. In video interviews, the security guard told how Wackenhut demonstrated new weapons with both the FBI and the CIA present. He also testified to the presence at these demonstrations of Dr. Earl Brian.

of The man who paid the security guard \$10,000 was later convicted attempted murder after five more Indians were shot to death. He was linked by law enforcement officials to organized crime and CIA covert operations.

The security guard testified that the Indio reservation was convenient for the U.S. Government because it was an independent nation and because it was close to the Mexican border, where arms were shipped enroute to the Contras. The security guard's testimony was so sensitive, that late one night the Riverside County District Attorney's Office arranged for an armed escort to get him off the reservation. He went to Sonoma and Lake counties, and then back to Southern California to work with the Department of Justice. He fled to New Mexico and now has left the country. He may return to testify before the House Judiciary Committee, though he is in fear of his life right now.

(to be continued.)

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(continuation)

Like in the INSLAW case, those principles involved have fallen like flies. The first federal judge to rule in INSLAW's favor against the U.S. Justice Department was not re-appointed to another 14-year term. Many members of the U.S. Justice Department quit or were fired in direct relationship to this case. The chief

investigator for the Riverside County District Attorney's Office was later taken off the case and transferred to the Juvenile Division and then given early retirement. Shortly after his retirement, the DA investigator states that he was pulled off the road one day by

a

CIA agent and told to forget all about the "desert" if he wanted to enjoy his retirement.

The man who gave the money to the security guard for the murder, was also the same man who is reported to have been the trigger man in Chile in 1971--the target: President Salvador Allende.

* * * * *
* *

That was posted to Bitnet's ACTIV_-L newsgroup by Dave Ratcliffe and was forwarded to misc.activism.progressive by the moderator, Rich Winkel.

Now let's confirm the identity of that alleged trigger man.
From the book, "INSIDE JOB: The Looting of America's Savings and Loans",
By Stephen Pizzo, Mary Fricker and Paul Muolo,
McGraw-Hill Publishing Company, 1989;
summarizing several paragraphs beginning on page 303:

* * * * *
Very often, people at failed Savings & Loans were affiliated with the CIA. They were secreting huge sums to the Contras in Nicaragua and to other covert adventures. For example, there was a report of a meeting between Contra commanders Raul Arana and Eden Pastora and G. Wayne Reeder, a heavy borrower of funds from the San Marino Savings Bank in Southern California. The 1981 meeting was a demonstration -- presumably on the Cabazon Indian reservation -- of military weapons and other equipment produced there for a proposed illegal sale to the Contras. Such military equipment included machine guns and Litton Industries' night-vision goggles. The illegal arms merchant in this pow-wow was none other than Dr. John Philip Nichols, the chief of the Cabazon Reservation's Bingo Palace. Nichols was working in cahoots with the Wackenhut Security Corporation, a Coral Gables Florida private army founded by ex-CIA and ex-FBI bigwigs, many of whom were forced to resign over their criminal involvements in the Watergate infamy. Nichols was apparently among his brethren, for he had declared himself to be a CIA veteran who had attempted to assassinate Cuban Premier Fidel Castro and the democratically elected President of Chile, Salvador Allende. Allende was indeed assassinated and Nichols was reported to have boasted of committing the murder.

* * * * *

All of the above text is my own capitulation of several paragraphs from "INSIDE JOB" along with some added details which I had posted among previous installments of this series.

So there is no doubt about the identity of the man, alluded to in the Napa Sentinel article, who paid the ten thousand dollars to assassinate Fred Alvarez and two of his friends -- the same man who claims to have pulled the trigger in the assassination of

President Allende.

Are you vexed to know that your taxed salary is financing murder, the ultimate crime, as well as many other untold crimes of sheer evil?

If your conscience answers yes, you can write to a person and an organization dedicated to using our laws, which our government routinely desecrates, to prosecute these criminals of officialdom who confiscate our freedom and our earnings. That person is

Daniel Sheehan, chief attorney
The Christic Institute
1324 North Capitol St., N.W.
Washington, D.C. 20002

The Christic Institute cannot succeed in defending our Constitution and our freedom if we don't care enough to assist.

John DiNardo

~ ~ ~ ~ ~
If we seriously listen to this "God within us" ["conscience", if you will], we usually find ourselves being urged to take the more difficult path, the path of more effort rather than less. Each and every one of us, more or less frequently, will hold back from this work. Like every one of our ancestors before us, we are all lazy. So original sin does exist; it is our laziness.

M. Scott Peck
THE ROAD LESS TRAVELED
~ ~ ~ ~ ~

EDITORIAL NOTE - This file contains material originally posted to Usenet by John DiNardo in 3 installments. To save space, only the first of the 3 usenet headers has been included. In addition, John's closing comments urging support of the Christic Institute have been reproduced only once.

-Steve Crocker
2/18/91

Article 13773 (36 more) in misc.headlines:
From: jad@cbnews1.cb.att.com (John DiNardo)
Newsgroups: alt.conspiracy,alt.activism,talk.politics.misc,talk.politics.mideast, misc.headlines,misc.legal,soc.rights.human,soc.culture.usa

Subject: Part XXV, The Casolaro Murder --> The Feds' Theft of Inslaw Software
Keywords: Our democracy is being subverted and transformed into a dictatorship.
Message-ID: <1992Jan16.183452.17595@cbnews1.cb.att.com>
Date: 16 Jan 92 18:34:52 GMT
Followup-To: alt.conspiracy
Distribution: na
Organization: AT&T Bell Laboratories
Lines: 151

The following interview was broadcast over Pacifica Radio Network station
WBAI-FM
505 Eighth Ave., 19th Fl.
New York, NY 10018 (212) 279-0707

on September 29, 1991.

* * * * *
SAMORI MARKSMAN:

We go to our next guest, Harry Martin, who is the publisher of the Napa Sentinel [Napa, California] and who has been doing an extraordinary amount of investigatory work around the Inslaw affair. We will begin by welcoming Harry Martin back to WBAI. Good morning. Just to let you know that I'm in the studio with Paul DeRienzo.

.....

[deleted some previously discussed information]

HARRY MARTIN:

The person who is awaiting criminal prosecution is Michael Riconosciuto, of course. But mind you, he was not arrested at the time he made the deposition. He gave a deposition to Congress, and he indicated to the committee that if he went ahead and testified -- as he did -- therefore, he would be subject to arrest within a short period of time. Within seven days he was arrested! But Ari Ben-Menashe is certainly not under any criminal arrest. He is a member of the Israeli Mossad [intelligence agency]. And the other people who have come forward and testified to these various things are not in jail. Michael Riconosciuto is a man who has signed an

affidavit, and yes, he is in jail awaiting criminal charges of supposedly owning a methamphetamine lab in Pearce County, Washington. However, after he was arrested -- while I was on a Seattle radio show, I was on hold and the news came on -- there were three methamphetamine labs broken up in Pearce County, Washington, not associated with him whatsoever. And it would lead to the suspicion that perhaps they were all connected to one thing and had nothing to do with Michael, but they decided to hang one on him right after his testimony.

PAUL DeRIENZO:

Why don't you give us some background on who Ari Ben-Menashe is, because his name has come up on a number of different issues.

HARRY MARTIN:

His name has turned up on the October Surprise and everything else. He is a member of the Mossad and he apparently indicates that he is a witness to the exchange of the PROMIS software to the Iraqis in Santiago, Chile. Now there was also a British Air Force officer who was a witness to that thing, supposedly, and he was hung. And they declared that to be suicide. That was in Chile. Ben-Menashe has come forward on a lot of things, but you have to understand that the Israelis, at the present time, are also very irritated with the Bush Administration. And you cannot be sure how much information and disinformation is being passed around.

PAUL DeRIENZO:

How about Mr. Riconosciuto? We discussed the legal problems he got himself in after he spoke out. But what is his history?

HARRY MARTIN:

He's a very brilliant computer scientist. He has worked inside the CIA for a long time. And nobody can deny this fact. Nobody is challenging that particular role. He was the man who had the access keys to almost any computer situation: monies, who's who and everything else. He's very dangerous in the aspect that he has all that knowledge of the key players in many, many things. And, of course, his affidavit stated that he converted the PROMIS software using the Cabazon Indian reservation, in Indio, California to do this. And Dr. Earl Brian was very much involved there. That place was also used for the manufacture of biological warfare and chemical warfare to be used by the Contras in Nicaragua. Testimony has come forward from many people that that whole Indian tribe and those people running it are shown by the California Department of Justice to have Mafia and CIA ties. This is a documented situation. But jurisdiction becomes a problem because it is an independent Indian nation.

.....

PAUL DeRIENZO:

We have reports that have come out in COMPUTERWORLD and other sources based on these statements made by Mr. Ben-Menashe and Mr. Riconosciuto that Robert McFarlane, who was the former National

Security Advisor, was involved in giving the Israeli Government copies of this software. Bill Hamilton says that he found out, quite by accident, that Canada was using it widely; that the Royal Canadian Mounted Police were using it in their intelligence facilities.

.....

Now, what was the role of the Indian reservation?

HARRY MARTIN:

Well, there are several Indian reservations that are being used by the Wackenhut Corporation and intelligence agencies to do things like manufacture equipment or They can skip a lot of corners because these nations are technically independent. For instance, one reservation is in New Mexico, but it also goes across the Mexican border. Therefore, it becomes an open corridor where you don't use customs or anything because part of your properties are in one country and part is in another. And they have used these Indian tribes for everything from the manufacture of weapons to the software situation, opening up gambling casinos. And understand, a lot of the money involved in the savings and loan scandal came from the Bureau of Indian Affairs. The Bureau of Indian Affairs puts out money to be invested on short-term notices, and this is how a lot of the savings and loans that went down started up. And that's where a lot of their money came from.

There could be a lot of inter-ties in there. It is so complex, and of course, Danny Casolaro referred to it as "the Octopus". You can understand why now, because it gets into You see, the trouble is, you can't isolate Inslaw by itself. Inslaw by itself is just a minor thing compared with the overall package. The total corruption that seems to have played around -- Iran/Contra gets involved, and the October Surprise gets involved. There are just so many players that keep coming across each other, and it's a really massive story. I don't know anybody who is going to get the whole picture.

(to be continued)

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(continuation)

PAUL DeRIENZO:

What I'm trying to get at are the connections that might lead to an investigation, or try to force an investigation into these things because it seems that when you have a reporter who is found dead under mysterious circumstances, by anybody's definition, it deserves being looked into further rather than a simple ruling that this was a suicide because

HARRY MARTIN:

You have to understand now, Inslaw was sort of on the back burner of the public limelight. In other words, I'm getting letters now from your program last week in which people say they haven't heard too much about this thing on the East Coast. Originally, Inslaw was carried by the Washington Times, the St. Louis Post-Dispatch and

ourselves. And we're the only three newspapers in the whole nation giving any credence or concentration to it.

PAUL DeRIENZO:

Actually, Barron's also.

HARRY MARTIN:

The Sam Nunn Committee got nowhere because the Justice Department refused to turn over any records whatsoever. And Jack Brooks's Committee, which is in our Congress, has already had some hearings and some of the testimony is from Judge Bason and so forth. But again, the Justice Department is stonewalling it in refusing to give documentation up. And, of course, my question is: Who's in control, the Congress or the Justice Department? The thing is that the death of Danny Casolaro has opened this to the fact that you're seeing more and more questions asking: What is this Inslaw case? And that in itself is going to open up more questions into other things. See, if they open up the Inslaw case, it's just going to be the tip of the iceberg, and they may find a lot of other things involved and interconnected. Perhaps Danny's death is going to give more impetus to the Brooks Committee. It's certainly beginning to wake up the national media which really slept on this thing. These things take time. Look how long it took Watergate. And Iran/Contra really never got anywhere.

SAMORI MARKSMAN:

We want to let our listeners know that we are speaking with Harry Martin who is the publisher of the Napa Sentinel, and as you've been hearing, we're focusing on a rather intriguing story -- which involves some major players in the political affairs of this society -- but which isn't receiving the kind of attention that the issue deserves. We here at WBAI are attempting to do so today and we will continue to do so.

.....

Paul, I want to ask Harry to go back to a point which he alluded to earlier. We had been talking about the breadth of this issue, that it's not simply the disappearance of Danny, that there are many others who have been killed in similarly mysterious circumstances, although some perhaps less mysteriously than others. Could you discuss that again for us, Harry Martin, and show what was a common thread linking these various deaths?

HARRY MARTIN:

Well, much of the common thread is Danny Casolaro himself. We have Standorf, who worked for a secret [government] communications division outside of Washington [D.C.]. He was funneling documents to Danny at all times, and he was found beaten to death in his car at National Airport in Washington. And of course, Danny indicated that his sources had [since] dried up. Apparently, they had set up a thing in the Hilton Hotel, in room 900, in which they had high-speed equipment, and they were duplicating everything as quickly as possible to get them back in [returned to] the files.

Then of course, we have Mr. Ng who was in Guatemala. He worked

for the Financial Times of London. He was working on this case, but he was also working on the Wackenhut Corporation and following a key witness to the murders of some Cabazon Indians. And he was found shot to death in Guatemala.

And then, of course, Michael Riconosciuto's attorney -- Eiselman, I think it is. I don't have my notes in front of me -- from Philadelphia, was en route to pick up material proving that Riconosciuto was, in fact, telling the truth. And he was found shot to death.

All these things, with the exception of Standorf, were written off as suicides. And Michael May, who we wrote of as being tied into that, and who had had communications with Casolaro and also, he was the man who supposedly filtered the forty million dollars to the Iranians as the down payment on the "October Surprise" -- we wrote about him on a Friday in June, and on a Wednesday in San Francisco he was found dead. They said it was a heart attack. Later on, the autopsy revealed that it was polypharmaceuticals that were in his system, and it was not a heart attack.

Michael Riconosciuto's arrest, of course It would take me forever to explain them all, but that gives you a synopsis of some of the things that have happened to people associated with that particular case.

PAUL DeRIENZO:

Let's concentrate on one of the more outrageous of these murders. And that, besides Casolaro's death (many people, including Bill Hamilton call that a murder)

HARRY MARTIN:

We refer to them as deaths. We're not taking the total line yet that they were murders.

(to be continued)

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(continuation)

PAUL DeRIENZO:

There is conflict on these [deaths], but they are very suspicious. One actual murder that nobody will deny was that of Mr. Alvarez, the crusading member of the Cabazon Indians who opposed the

HARRY MARTIN:

Absolutely! And he was shot with two other people, execution style. Jimmy Hughes was a man who worked for Wackenhut and who was the bag-man to bring the money over [to pay for the contract murders of Fred Alvarez and company]. And he has testified to the Riverside County [California] District Attorney's office. He is now in hiding in Guatemala, of course. That's where Mr. Ng was down to see him. He also carried a lot of other information which was extremely damaging. We were able to talk to people who helped him escape, because he came up this way at first, and now he's down in Guatemala. The Indian situation itself is its own

scandal. Then there's the Wackenhut Corporation, and you get into Inslaw Like I say, its just so wide you would need a massive computer just to do a chart.

PAUL DeRIENZO:

Can we focus now on Alvarez? Can you tell us that story?

HARRY MARTIN:

Alvarez was basically the head of the Cabazon Indians, and when Wackenhut and Dr. Brian and people came in to take over and create the gambling parlors and to convert the Inslaw software and to manufacture chemical warfare weapons and so forth, he protested. He wanted control of the Indian tribe back. And he was summarily executed. The money came from the people who were running that, according to the testimony of Jimmy Hughes, which is on file with the State of California in the Riverside County D.A.'s office. Incidentally now, after all these years they have finally reopened that case in Riverside because of the publicity associated with the Inslaw case.

PAUL DeRIENZO:

At first, there was a grand jury investigation and there were no indictments or suspects mentioned in that first investigation.

HARRY MARTIN:

And yet, Hughes testified to names, places, events, everything.

PAUL DeRIENZO:

Mr. John P. Nichols, who was at that time the head of the tribe and who now is an advisor to the Cabazon Indians, said that the death of Mr. Alvarez and two non-Indian companions, who were found shot to death with him, had nothing to do with what's going on in the Cabazon reservation.

HARRY MARTIN:

Yet, Jimmy Hughes has testified to the Riverside people that John Nichols is the one who gave him the money to deliver to the hit-man in Palm Springs. Also, Mr. John Nichols was later on convicted for murder-for-hire and his sons are now technically running the tribe.

PAUL DeRIENZO:

He was actually convicted rather than charged? I heard he was brought up on charges. But he was actually convicted of that?

HARRY MARTIN:

Absolutely.

PAUL DeRIENZO:

But Mr. Nichols seems to have a tremendous amount of support. From what I understand, he's getting a lot of support from liberal figures such as James Aboureszk, the former senator from South Dakota.

HARRY MARTIN:

You have to understand, Mr. Nichols, by his own boasting and through other publications, indicates that he was involved in the assassination of [democratically elected President of Chile, Salvador] Allende, and he was involved in the attempted assassination of [Cuban Premier Fidel] Castro. His links as a C.I.A. contractor -- his links with the Mafia are well documented with the State of California. Therefore, obviously he's going to get some support from groups that are probably within that channel.

.....

SAMORI MARKSMAN:

Harry Martin, we'd like to thank you very much for joining us again here on WBAI. Any closing points that you would like to make?

HARRY MARTIN:

Well, just that Danny's concept of an "Octopus" you can see exactly what he was talking about. The tentacles went everywhere, and he seemed to be on the verge of breaking a lot of that information. And then all of his records, everything disappeared. And he died. To say that a journalist would commit suicide when he's on the verge of breaking a big story is ludicrous because anybody knowing a journalist knows that once they are on a drive, neither food nor anything else matters but to get that story across. He was very close to it, and you don't cash in the chips on the verge of winning the jackpot.

SAMORI MARKSMAN:

So true. Harry Martin, publisher of the Napa [California] Sentinel, thank you very much for joining us here on WBAI, non-commercial, listener-sponsored Pacifica Radio at 99.5 FM in New York.

* * * * *

Are you outraged to know that your taxed salary is financing the ultimate crime of murder, as well as many other untold evils?

If your conscience answers yes, you can write to a person and an organization dedicated to using our laws, which our government routinely desecrates, to prosecute these criminals of officialdom who confiscate our freedom and our earnings. That person is

Daniel Sheehan, Lead Attorney
The Christic Institute
1324 North Capitol St., N.W.
Washington, D.C. 20002

The Christic Institute cannot succeed in defending our Constitution and our freedom if we don't care enough to assist.

John DiNardo

~ ~ ~ ~ ~
If we seriously listen to this "God within us" ["conscience",

if you will], we usually find ourselves being urged to take the more difficult path, the path of more effort rather than less. Each and every one of us, more or less frequently, will hold back from this work. Like every one of our ancestors before us, we are all lazy. So original sin does exist; it is our laziness.

M. Scott Peck
THE ROAD LESS TRAVELED

NOTES ON THE CONCEPTUAL DESIGN OF A SYSTEM FOR "DEADMAN" AUTOPOSTING OF SENSITIVE INFORMATION

I have made the statement a couple of times now that if Danny Casolaro, the investigative journalist who died from getting too close to a big story, had been a Net Citizen he would probably be alive today. This is based on the principle that only two things will reasonably deter the bad guys from killing you to prevent publication of their secrets. One of these is when the secrets have already been made publicly available but their credibility is in doubt. Killing a source who has already gone public with a questionable allegation cannot help but add credibility to the allegation and focus the attention of other researchers upon it - precisely as Danny Casolaro's death has done with what little is known of the "octopus". By this hypothesis, Danny Casolaro could have kept breathing simply by posting his findings to alt.conspiracy as his investigation proceeded and emailing a copy to the Christic Institute.

The scenario above, although a good first approximation and suitable for some cases, fails to address the need for confidentiality in cases where you are not quite sure what you have and/or do not wish to alert the subjects of your inquiries to your interest. My topic here will be how to design a system which will hold information secure until needed but release it automatically unless specifically countermanded. For purposes of rough classification (this does not pretend to be rigorous) we can refer to the case in which no backup copies are kept as deadman security level 0. The case referenced above where the investigation is publicized as it proceeds can be called deadman security level 1 (or deadman 1 for short).

Deadman 2 is pretty straightforward. It involves a personal machine which can be preprogrammed to email specified files at a specific date and time. The idea here is that you periodically reset the timer. If you fail to show up, voila! A few hundred K of embarrassing notes suddenly surface on alt.conspiracy. The weakness of deadman 2, of course, is that the location of your machine may be already known to your opponents or might be forced from you under duress. A simple smash and grab and no more life insurance.

Deadman 3 gets to the level where we can bring a little bit of sophistication to bear on the problem. It involves the co-operation of N friendly sites at diverse locations. the object here of course is to complicate your opponents' logistics to the point where a smash and grab is untenable. In this scenario the resetting of the release timer would be done by passworded email. Probably each deadman server would email you a request for delay authorization, which you would respond to with a password. Since a simple password could also be forced from you under duress, the security so far has not advanced significantly beyond deadman 2. The trick here is to enable the investigator to conveniently authorize a delay, but defeat the attempt to do so by an opponent - EVEN WITH THE INTELLIGENT CO-OPERATION OF THE INVESTIGATOR. In other words we need a situation in which "I can do it but there is NO WAY I can explain to YOU how to do it." The trick here is to prepare a very lengthy set of associative response

codes. The list should be long enough that the investigator cannot reasonably be expected to remember more than a small percentage of them, but should consist of item pairs familiar enough to the investigator to make response to a challenge convenient. They may include items which might be available or guessible from public records but should not rely on them exclusively. For example, my code might contain elements such as:

MacDonalds/Filet
Danny/Casolaro
Mary/McNitt
Word Perfect/4.2
Multi/Mate
Richard/Stallman

In each case the first item of the pair is the challenge from the deadman server and the second is the authorized response. The idea here is to put together over a hundred of these. Enough so you could NOT reproduce a list under duress, but nevertheless could effectively respond to a selected challenge. The deadman server would select randomly from these, possibly using a "three strikes out" system so that a single incorrect response would not accidentally cause premature release of the protected data. The list should be securely encrypted as a defense against a "hacker style" penetration of the deadman server. It should be noted that this system is NOT proof against a deadman server sysadmin in collusion with your opponents.

Now that we have made it difficult for unauthorized persons to suppress the automatic release of the protected data, let's add another failsafe to allow the overriding of that suppression. Under this scenario our investigator is being held prisoner at a terminal and is being forced to supply response codes. The opponents are gradually building a list which will eventually be complete enough to allow them to terminate the investigator's services. The failsafe to defeat this scenario is a simple conventional password which will allow the overriding of the delay timer and provide immediate release of the protected data. The investigator, if he is bold enough to face his captors' wrath, can give the release password in place of the response to a challenge. Alternatively, the password can be left with a trusted associate with instructions to use it in the event of the investigator's disappearance.

This is getting fairly secure, but still does not address the question of unauthorized release of the protected data by one or more sysadmins at the deadman server hosts. The deadman 4 standard addresses this problem through the use of encryption. Under this system, each deadman server possesses the decryption key for the N-1 servers other than itself. (I'm speaking loosely - the decryption key is specific to the data set of interest on a particular server - not to the server as a whole.) Periodically, each of the servers attempts an ftp login to the other N-1 servers, using a password specific to the data set of interest. The remote server will accept the connection ONLY if its delay timer for that data set has expired and it is ready to release the protected data. At this point, the remote server will "put" the

decryption key into the specified directory and the release will proceed.

Well, this is about as far as I can take this one, as I'm neither a security expert nor a Unix wizard. I'd be pleased to hear any ideas on refinements of this proposal, what needed elements of a deadman server already exist, specifications for the elements yet to be developed, and anyone who has a site or time to volunteer for experimental work on such on project.

-Steve

If Ben Franklin were alive today, he would be on the Net.
If Danny Casolaro had been on the Net he would be alive today.

IVSTGATE.NET 9798

Amateur investigator confirms that Danny Casolaro was investigating the POW/MIA coverup. Posts findings to the Usenet alt.conspiracy conference and calls for an ongoing decentralized investigation by conference participants.

SENTINEL.1-6 43789

Parts 1 through 6 of the Napa Sentinel series on the Danny Casolaro case.

SENTINEL.7-9 23047

Parts 7 through 9 of the Sentinel series

SENTINEL.LST 2106

Explanation of why the remaining Napa Sentinel material is missing. Price list and ordering info for various Sentinel investigative packets.

CASOLARO.TX1 59839

WBAI interview with Bill Hamilton of Inslaw.
Replay of jail interview with Michael Riconosciuto.
Interview with Harry Martin of the Napa Sentinel.

CASOLARO.TX2 17959

Substantial excerpts from Villiage Voice Article.

CASOLARO.TX3 28458

WBAI interview with reporter Virginia McCullough

CASOLARO.TX4 14052

Part 8 of NAPA Sentinel series. Substantially duplicates the corresponding portion of SENTINEL.7-9, but includes additional related material from another source which links John Nichols, Contra arms deals, and the Savings & loan scandal.

CASOLARO.TX5 18728

A further interview with Harry Martin.

BCCI.TXT 17203

Interview with conspiracy researcher Sherman Skolnick. Links the Casolaro case with BCCI and other suspicious banks. Not as complete or as good as some of the other material, but still intriguing.

BARRONS.001 33287

BARRONS.002 56459

Parts 1 and 2 of a Barron's article on the Inslaw case. Several years old but exceptionally well researched

DEADMAN.TXT

My own proposal for a computerized "failsafe" information release system that might have helped save Danny Casolaro's life.

Article #13420 (13452 is last):
Newsgroups: alt.conspiracy
From: seraphim@ais.org (Seraphim)
Subject: Net Investigation -- POW-MIA and Casolero
Date: Wed Mar 11 12:31:44 1992

Yesterday I started out to investigate two of the topics we've been discussing here: the POW-MIA and Danny Casolero issues. I soon found that there is some relationship between the two cases, at least tangentially.

I was primarily motivated by the recent issue of Covert Action Information Bulletin, #39. This issue is titled, 'The CIA and the Web of Supporting Agencies.' In the issue is an article titled, 'The Mysterious Death of Danny Casolero.' This article was written by one David MacMichael, a former estimates officer and Washington representative of the Association of National Security Alumni. It is fascinating in itself, and I hope that someone can transcribe it or at least summarize it soon.

I started by calling the Select Committee on POW-MIA affairs. I spoke with Deborah DeYoung, a staffer whom I had spoken to before on a few occasions. Getting information from the woman is like pulling teeth. However, I did glean a few interesting things. There will be more public hearings of the committee in April. They should be 'interesting.' The Pentagon is having great difficulty in coming up with a list of witnesses, or even to say how this. She doesn't know if the hearings will be televised, call CSPAN.

I called CSPAN next. I spoke with Scott Sweet, a person in the Viewer Information Department there. He said that the schedule for CSPAN is only made 24 hours in advance so its impossible to tell if the hearings will be broadcast at all, or if they will be live or taped or both. CSPAN and the Congressional Quarterly are considering jointly publishing a journal. From the context of our conversation I gathered that this might contain transcripts of programs aired on CSPAN. No transcripts of the testimony to the Committee are available from CSPAN. Video tapes of the broadcasts are available, but cost \$125/hr.

I called Senator Levin to request copies of the transcript of Judge Gayden, Jack Bailey, Col. Turner, and Albrow Lundy. Paul Troost said that it would be very difficult to get this material, and that they had several requests for info on POW/MIA that they had been unable to completely fulfill. Which one did I really want the most? Judge Gayden. Had I seen the Republican Report on POWs by Jesse Helms? It was a wonderful summary of POWs from WWI on up to the present day. Would I like a copy of that? Sure, they would send one right away to me.

Next I called Senator Riegle to ask what was the Senator's position on whether or not to call for a Congressional Investigation of the death of Danny Casolero. I referred to the Covert Action Information Bulletin article. They will get back to me on that.

From Ms. DeYoung I had gotten that Albro Lundy Jr. lived in LA. I found an Albro Lundy III in Beverly Hills and called the number. It was the number of the fellow I was looking for. He had testified to the Committee that one of the controversial photos was in fact his father, a missing airman. He had showed how an acetate overlay of the pictures showed a strong anatomical similarity between the two men in terms of anthropometric measurements and general appearance.

The number I had reached was Albro Lundy's law offices. He was not available, but soon returned my call. He said that he was certain that the White House was prepared to whitewash the photos and the the Pentagon/CIA were busy concocting evidence to explain away the photos of men identified by their families and others as missing Americans. He said he had recieved a call from Danny Casolero in August, a week before he was killed. He said that Casolero said he was only one or two steps away from uncovering the men in charge. 'That's why he was killed' So its not just imagination to think that these cases are related. No, Danny Casolero had said that BCCI, Inslaw, Iran-Contra, and the coverup of POW-MIA was all related.

Lundy said that he wasn't as worried about being assassinated now because of the publicity that he had recieved and his position as head of a veteran's organization. He said that he used to stand outside his car and turn the key remotely in case there was a bomb in there. I suggested that he should keep doing that, and check his brakes and tie-rods from time to time too. I hope this didn't scare him, I just naturally think in those terms because I grew up in Cleveland :) It didn't seem to phase him. I told him about usenet and said that we wanted to get him and all the other people involved in these controversies onto alt.conspiracy. He said that he had heard from someone else that there was discussion on USENET about POW stuff, but he had only seen a few things some time ago (or been told of them?) I looked in the nixpub list from alt.bbs.internet and called him back with 4 numbers of USENET sites in CA. None of them is a local call, so anyone who knows of a site local to Beverly Hills, should call him and let him know of it. He expressed a concern about computer viruses, I told him that there was a SBIR project to introduce viruses with microwave or radio transmission, and to use Disinfectant for his Mac.

I mentioned that WBAI had done quite a lot on Casolaro and suggested that they might want to talk to him about his story. I don't have address or phone for WBAI, so he needs that too. I hope we will see a post from him soon.

I found a number for the brother of Danny Casolaro, Dr. Anthony Casolaro. He was at lunch. The CAIB article said he was in Fairfax, but the number I got from information was in Arlington.

The author of the CAIB article, David MacMichael, was still in Peru, according to the office in DC. Their receptionist was pretty hilarious, answered the phone 'Association' and seemed to dig my message that I wanted to talk to him about his article on the Death of Danny Casolero.

I guess she must feel real cloak and dagger :)

Judge Gayden was in court, but he called me back (collect) this morning. He said that the Senate committee was basically a whitewash. He said that every meeting of the committee was attended by a representative of the President from the CIA. The committee had refused for some time to look at 23 boxes of evidence which he had, because he said he didn't want it to go to the Pentagon, because of danger to his informants. When the committee did agree to assign 3 people to look at the stuff confidentially, they then refused to return the material for several weeks. When he did get it back, 3 boxes were missing, including the original negative of one of the POW pictures. He said that in the next round of hearings that the Pentagon could be expected to explain away all of the pictures by saying that their sources had taken sworn statements from the Cambodians who had supplied the pictures that these were local people, not Americans, etc. They would produce none of the witnesses as promised. (Presumably, these witnesses would be 'unavailable for comment' permanently, but Gayden didn't say this.)

Gayden said that the only threat to his life had come from a woman caller whom he identified as CIA. She said, well, you know this POW thing is related to BCCI, Iran Contra, and heroin smuggling. She referred to Casolero, and implicated that the same thing could happen to him. Gayden said that he knew that Gritz said that US officials were heavily into the drug trade, but 'I couldn't say that.' He said that he had given her his fax number, and after that his fax and computer were 'compromised.'

Gayden said that his associate Kham Bhang (sp?) had been libelled badly by the government and that they were considering a lawsuit. He is also interested in getting onto usenet, but says he is an ignoramus where computers are concerned. I am supposed to call his secretary and tell her what to do. He says it will probably be a difficult conversation. I would suggest having someone from the net go and see him to help out, but I wonder if this person would end up to be 'one of us' or 'one of them.'

I suppose mailing him advice to the address below would be best.

What I am proposing is this: that we on the net proceed with an 'uncoordinated' investigation. What I mean is this: obviously, the national security apparatus reads usenet, and this group in particular. Part of the function of the NSA and CIA is to read everything published, for one thing. So, rather than have an organized investigation which would be compromised from the outset, let's each just do whatever we feel like doing and post the results here.

Here are some addresses and numbers to start with:

Covert Action Publications, Inc., 1500 Massachusetts Ave NW, Suite 732
Washington, DC 20005.

Deborah DeYoung, US Senate Select Committee on POW/MIA Affairs,
Washington,
DC 20510-6500, phone: (US Capital) 202-224-3121.

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Scott Sweet, Viewer Information Department, CSPAN, 202-737-3220, program info, 202-628-2205, menu item #4.

Albro Lundy III, c/o Cara Consulting, 279 S. Beverly Dr, Suite 219, Beverly Hills, CA 90212. Phone number listed with information in LA.

Col. Judge Hamilton Gayden, 502 Metro Courthouse, Ashville, Tenn 37201 615-862-5901/02.

Dr. Anthony Casolero, number listed for Arlington, Va. office.

myself, seraphim@ais.org

Please do not let me know what you plan to do to investigate this stuff. Please do post whatever you find out here as soon as you have it.

'The police are not here to create disorder, they are here to preserve it!'

Mayor Richard Daily, 1968

Date: Wed, 6 Nov 1991 18:28:15 CST
Reply-To: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
Sender: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
From: dave 'who can do? ratmandu!' ratcliffe
<dave@ratmandu.corp.sgi.com>
Subject: the INSLAW case: "Napa Sentinel" series, part 1

Harry Martin, Editor & Publisher of the "Napa Sentinel", has been doing some of the best investigative journalism published anywhere in recent years. This begins a 10-part series (plus 7 addendums) on the INSLAW case.

FEDERAL CORRUPTION

By Harry V. Martin

A NEW SERIES

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March 12, 1991

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EDITOR'S NOTE: When discussing the widespread corruption in the federal Bankruptcy Courts, it is difficult to focus on just the Northern California jurisdiction. This new series will focus on the extent of the corruption throughout the nation and its linkage to various courts.

When the U.S. Government sent Anthony Souza to Northern California to investigate what government officials called "the dirtiest system" in the United States, it was aware that the entire bankruptcy system is unraveling. Former LendVest Trustee Charles Duck was the main focal point of Souza's investigation-even though

a

local bankruptcy judge called him the most "honest man" he had ever known. Duck's ties to bankruptcy judges throughout the Bay Area is providing a picture of intense corruption going deep inside the law enforcement agencies. Even Souza admits privately that his hands are tied.

There has been one known murder in Northern California that has strong possible links to the bankruptcy system. There have been several more in Texas. This series will focus on different incidents from various parts of the country.

One of the most bizarre cases of corruption in the bankruptcy system involves a small Washington-based computer software firm called INSLAW. In 1982 the firm signed a three year contract for \$10 million with the U.S. Department of Justice. The software program INSLAW developed was a case-management computer program called PROMIS. The software, which was developed by Bill Hamilton, enabled the U.S. attorneys to keep track of information on cases, witnesses and defendants, and to manage their caseloads more effectively.

Though the U.S. Attorney's Office placed the PROMIS program into operation in several of its offices, it refused to pay Hamilton.

Subsequently Hamilton was forced into the bankruptcy court. Former U.S. Attorney General Elliot Richardson, representing Hamilton, advised him to sue the Justice Department for stealing his software.

Anthony Pasciuto, who was the deputy director of the Executive Office for U.S. Trustees, which oversees bankruptcy estates on behalf of the court, had stated that the Justice Department was improperly applying pressure on his office to convert INSLAW's Chapter 11 reorganization into a Chapter 7 liquidation, which would mean that all company assets, including the rights to PROMIS would be sold at auction.

U.S. Trustee Cornelius Blackshear corroborated Pasciuto's story. Two days after he was visited by Justice Department officials, Blackshear issued a sworn affidavit recanting his earlier testimony.

The Justice Department recommended that Pasciuto be fired. The memo seeking his dismissal reads ". . . but for Mr. Pasciuto's highly irresponsible actions, the Department would be in a much better litigation posture than it presently finds itself."

Federal Bankruptcy Judge George F. Bason, Jr., ruled in 1987 that the Justice Department had acted illegally in trying to put INSLAW out of business. Bason sent Edwin Meese a letter recommending that he designate an appropriate outside official to review the dispute because of the prima facie evidence of perjury by Justice Department officials, Meese did not respond.

Later that year after nearly three weeks of trial, Bason ruled in favor of INSLAW in its suit against the Justice Department. "The department (of Justice) took, converted, stole INSLAW's software by trickery, fraud and deceit," the judge stated, adding, "the Justice Department engaged in an outrageous, deceitful, fraudulent game of cat and mouse, demonstrating contempt for both the law and any principle of fair dealing." Judge Bason ordered the Justice Department to pay INSLAW \$6.8 million. Bason's verdict was upheld on appeal by U.S. District Court Judge William B. Bryant. Three months after Bason's ruling, he was denied re-appointment to the bankruptcy court.

Hamilton's trouble began when a friend of Meese attempted to buy out INSLAW, but Hamilton turned him down. In a court document, the potential buyer is quoted as saying, "We have ways of making you sell." It was after that the trouble for INSLAW began.

The Senate Permanent Subcommittee on investigations, chaired by Senator Sam Nunn, began an investigation into the INSLAW case. Once the inquiry got under way, the Senate Judiciary Committee's chief investigator, Ronald LeGrand, received a phone call from an unnamed senior officer at the Justice Department--a person LeGrand had known for years. The caller told LeGrand that the "INSLAW case was a lot dirtier for the Department of Justice than Watergate had been, both in its breadth and its depth."

The Nunn Committee completed its investigation and published its report. It recognized that INSLAW has been a victim of the system and stated that "the Justice Department had been uncooperative, refusing to allow witnesses to testify without representatives of the litigation division being present to advise them. The effect of their presence was to intimidate those who might otherwise have cooperated with the investigation." The report states, "The staff learned through various channels of a number of Department employees

who desired to speak to the Subcommittee, but who chose not to out of fear for their jobs."

a Congressman Jack Brooks of Texas has opened a new investigation into the INSLAW case. Brooks is investigating allegations that Justice Department officials--including Meese--conspired to force INSLAW into bankruptcy in order to deliver the firm's software to

rival company. The rival firm, according to court records and law enforcement officials, was headed by Earl W. Brian, a former Cabinet officer under then California Governor Ronald Reagan and a longtime friend of several high-ranking Republican officials. Meese had accepted a \$15,000 interest-free loan from Brian. Meese's wife was an investor in the rival company. This is the same company that allegedly sought to buy INSLAW from Hamilton and made the alleged threat.

What happened to PROMIS?

- * The program is in use throughout the nation and has been used also for military intelligence information. It has the ability to track troop movements.
- * An official of the Israeli government claims Brian sold the PROMIS program to Iraqi military intelligence at a meeting in Santiago, Chile. The software could have been used in the recent Persian Gulf War to track U.S. and allied troop movements. Ari Ben-Menashe, a 12 year veteran of Israeli intelligence, made the statement in a sworn affidavit to the court.
- * The software is now operative with the CIA, the National Security Agency, the Defense Intelligence Agency, and the U.S. Department of Justice. Only the Justice Department is authorized by the court to use the software.
- * Brian now claims he acquired the property rights to the software and consummated a sale to Israel, although he had allowed its use by the Israeli intelligence forces for as many as five years before the actual sale.

In essence, a small company in Washington developed a very sensitive computer program which the Justice Department obtained. The courts ruled in favor of the developer and the judge who made the ruling was never re-appointed. The software was acquired by a friend of Meese and the Justice Department has never paid for its use and has allowed other agencies the right of its use.

The bankruptcy court was a tool--as it appears to be with other jurisdictions--to support the economic gain of a few. Charles Duck was not alone--as the record will prove.

(To be continued).

HOW THE JUSTICE DEPARTMENT USED THE BANKRUPTCY COURT
By Harry V. Martin

Second of a New Series

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March 15, 1991

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of The corruption of the bankruptcy system is endemic of a political patronage system with its roots going back to former U.S. Attorney Edwin Meese, according to many former employees of the Department

Justice. The INSLAW case--reported last week in the "Napa Sentinel"--is a microcosm of the entire system.

As a result of the INSLAW cases, many heads in the Justice Department were lopped off. When Judge George Bason, a bankruptcy court judge, refused to liquidate INSLAW, ruling instead that the Department of Justice used deceit, trickery and fraud, he was only one of four who were not re-appointed to their jobs. A total of 132 were re-appointed.

But to show the collusion of the Justice Department, when it removed Judge Bason from the bench after his ruling against them and for INSLAW, they had S. Martin Teel appointed to the bench to replace Bason. Who was Teel? He was a Department of Justice attorney who unsuccessfully argued the INSLAW case before Judge Bason.

Tony Pasciuto admitted that he was ordered to pressure the bankruptcy judge to rule against INSLAW. After being subpoenaed by INSLAW's attorney, Pasciuto was offered a long-awaited transfer by the Justice Department from Washington, D.C. to Albany, New York. Pasciuto bought a home in Albany and then changed his testimony. After the testimony was completed, the Justice Department cancelled his transfer. Pasciuto had to commute from Albany to Washington.

Former Attorney General Elliott Richardson made a list of the baffling questions of why the Justice Department wanted INSLAW declared insolvent and why it wouldn't pay a \$6.8 million settlement to the small company. INSLAW received an offer to sell their company and they refused. The buyer informed the company that he had powerful political influence and "We have ways of making you sell." Within 90 days of that threat, the Justice Department commenced its attack on INSLAW.

The company that made the attempt to buy INSLAW had financial connections to Meese and some of Meese's cronies. When the battle ended, INSLAW was broke, an attorney, a Justice Department whistleblower and a judge were out to work, but INSLAW was saved by a corporate giant--IBM--who rescued the company virtually from the auction block.

The company that allegedly made the threat was Hadron. It has had brushes with the Security Exchange Commission, it has gone to the brink of being broke and one of its companies has been accused by the SEC of fraud and manipulation of stock prices, the company lost \$4.3 million in one year. It soon sunk \$12 million in the red.

But once Meese became Attorney General, Hadron suddenly received

lucrative Pentagon contracts, along with the Agency for International Development. The company was also awarded a \$40 million contract from the Justice Department, despite protests against the bidding process. One member of Hadron's board was Dr. Earl Brian, who was in Reagan's California cabinet along with Meese. Meese was chief of staff in California. The Deputy Attorney General was D. Lowell Jensen, who had competed against INSLAW years earlier. The person in charge of making Justice Department payments for INSLAW's software--and who didn't--was an employee who had been fired from INSLAW. Jensen was also in trouble when the Senate was investigating the Iran-Contra scandal. Apparently the Senate committee discovered a memo written by Jensen to the National Security Council warning that the Miami federal prosecutors where

on

Ollie North's trail. The memo revealed that the Justice Department, who was supposed to prosecute the Iran-Contra affair, actually was tipping off the government in advance.

One Justice Department official testified at the INSLAW hearing that INSLAW's software could be dangerous. Thomas Stanton testified "INSLAW could besmirch the U.S. Trustee program." The program is

so

sophisticated that it could trace all assets, track all trustees and judges. Another Justice Department employee stated that the U.S. Trustee program was flagrantly political. "It was a way of getting cronies into office. There would be 50 or 60 positions to be filled . . . it was Meese's baby." The official also stated, "It was always puzzling to me how he got away with what he got away with. He'd do things that were blatantly wrong and no one would question him--it's kind of scary."

The Meese program would concentrate too much power in one government department. "It's supposed to act as a watchdog over lawyers and trustees, but the problem is it's more. It has a considerable amount of power to control the administration of cases. When a case moves from bankruptcy to liquidation, the U.S. Trustees office names the trustee, who converts the assets, oversees the auction, and retains appraisers who will put a price tag on the leavings. The U.S. Trustee's program also links Justice and the IRS. The thing that's a little frightening about it is that the U.S. Trustee department sees itself as a part of the tax-collecting function of government. The Justice Department represents the IRS, and the IRS is often the biggest creditor in liquidation," states

a

leading bankruptcy attorney.

(To be continued)

BANKRUPTCY, JUSTICE SCANDAL COULD EQUAL WATERGATE

By Harry V. Martin

Third in a NEW SERIES

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March 22, 1991

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As if things weren't getting hot enough for the federal bankruptcy court system, but now the INSLAW case is becoming another Watergate. INSLAW was a Washington, D.C.-based computer firm that sold a highly technical tracking software program to the U.S. Department of Justice. Federal judges have upheld INSLAW's contention that the Justice Department, under Attorney General Edwin Meese, stole INSLAW's computer program.

a A bankruptcy judge that made the ruling was not re-appointed to 14-year term. Several Justice Department officials have since been fired or quit over the case.

Now a U.S. House Subcommittee is investigating the case and putting a lot of heat on the Justice Department. Attorney General Dick Thornburgh has been placed in an awkward position because of the case. Though he was not Attorney General at the time the INSLAW scandal broke, he was the man who investigated it and cleared the Justice Department of wrong doing.

Testimony has come forward that the Justice Department, under Meese, pressured the bankruptcy courts to declare INSLAW insolvent, forcing the company to release its assets--including the critical software. INSLAW was once threatened if it didn't sell its company to a close Meese associate. After the threat, INSLAW's life was made miserable by the Justice Department. When INSLAW sued the Justice Department it was awarded \$6.8 million. The judge who made the award was fired and replaced with a newly appointed judge--the man who prosecuted the case for the Justice Department. A second judge upheld the first judge's ruling.

The House subcommittee is accusing Thornburgh of stonewalling the Committee's request for hundreds of documents involved in the INSLAW case. Two years ago, the same stalling tactics by the Attorney General's office played havoc with a Senate investigation of the same problem. But Texas Congressman Jack Brooks is putting the heat on the Justice Department to turn over its records on INSLAW--Brook's committee controls the purse strings of the Justice Department and has more clout than did the Senate Committee.

The protected software has been pirated to the Canadian government. Those who were found responsible for the pirating were close associates of Meese. "No sooner had the piracy been confirmed in Canada than an Israeli intelligence officer alleged that PROMIS (INSLAW's software program) was being used illegally by the CIA and other U.S. intelligence agencies," states James J. Kilpatrick in the March 15 edition of "The Miami Herald."

After the re-appointment of the federal bankruptcy judge was halted because of his ruling on the INSLAW case, almost every bankruptcy judge that is handed the case declines to have anything to do with it. "Nobody wants to touch the case," states Chief District Judge Aubrey Robinson.

According to Brooks, the Justice Department is now ready to turn over the documents, states the "Legal Times" of Washington, D.C. The scandal touches many high officials in the Justice Department or formerly associated with the Department. They include:

* Edwin Meese, former Attorney General.

- * Attorney General Richard Thornburgh.
- * U.S. Attorney Jay Stephens.
- * Justice Department Watchdog Michael Sheheen, Jr.
- * Gerald McDowell, chief of the Criminal Division's Public Integrity Section.
- * Lawrence McWhorter, head of the Executive Office of the U.S. Attorney's Criminal Division.
- * Bankruptcy Judge Cornelius Blackshear.
- * North District of California Federal District Judge D. Lowell Jensen, who was a former Deputy Attorney General and once chief competitor to INSLAW in California.

The Brooks Committee has also learned that the Justice Department's computer system is "all botched up" and has also learned that there is a lot of sensitive data within the Department of Justice computer files that is not secure. The INSLAW program was to organize everything and track cases all over the country.

The Justice Department is the prime law enforcement agency in the United States. A scandal there could rock the nation in a similar fashion as Watergate did during the Nixon Administration.

The Justice Department oversees the Federal Bankruptcy Court and the Trustee system. The Justice Department is investigating the Federal Bankruptcy Court and the Trustee System. The Justice Department has been caught using the Bankruptcy System for their own interest. In other words, the Justice Department is investigating the Justice Department's Bankruptcy System for potential wrongdoings by the Justice Department.

But is there really justice in this land?

(To be continued)

BANKRUPTCY COURT EXAMINES SOFTWARE ALLEGATIONS AGAINST JUSTICE DEPARTMENT PIRATING

By Harry V. Martin

Fourth in a NEW SERIES

(c) Copyright Napa Sentinel

March 29, 1991

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If you own a VCR or rent or buy movies, you will be familiar with the warning that appears on your screen that the film you are viewing is protected by a copyright and that the Federal Bureau of Investigations or Interpol can arrest you for copying the film. The warning is to prevent "pirating" of someone else's copyrighted material.

But what's good for the goose is not always good for the gander. The United States Justice Department stands accused of pirating copyrighted material--having supplied it to the Canadian government, the Israeli government and Iraqi government . . . and to the FBI, itself.

That is how deep the INSLAW computer software case has become. The case started out when the Justice Department bought PROMIS, a copyrighted software program that helps to track criminal cases throughout the United States. When friends and associates of then Attorney General Edwin Meese attempted to buy the software company, INSLAW turned them down and then life was made miserable for INSLAW. Within 90 days the Justice Department reneged on their contract with INSLAW and refused to pay for the software program, even though it was using it. The Justice Department is accused by federal judges of attempting to bankrupt INSLAW and then hasten the bankruptcy court to declare them insolvent. Instead, the courts ruled that the Justice Department used "fraud, deceit and trickery" against INSLAW and awarded the small computer software company \$6.8 million in damages.

The case became deeper when friends of Meese began to sell the program to foreign military establishments and the Justice Department began to provide the copyrighted material to other U.S. government agencies. A man who was once fired from INSLAW was put in charge of INSLAW's payments--which were never forthcoming. Another Justice Department official, who is now a Federal Judge in Northern California, was a direct competitor to INSLAW in California. The Judge who made the \$6.8 million ruling lost his job. The attorney for the Justice Department who fought against the Judge's ruling was promoted to the Judge's vacant position. There have been wholesale changes and firings at the Justice Department over the INSLAW case.

The Justice Department is now under investigation by a House subcommittee and this committee is receiving many documents to support the premise that the Justice Department has a skeleton in its closet that stinks greater than Watergate.

But new documents emerging in the case demonstrate a wider scandal. In an affidavit dated February 17, 1991, Ari Ben-Menashe describes his 12 year service for the Government of Israel in foreign intelligence and provides an eyewitness account of a presentation to an Israeli intelligence agency in 1987 in Tel Aviv, by Earl W. Brian of the United States.

Brian is a close associate of Meese from his California days. Brian and Meese were both in Ronald Reagan's California Cabinet when Reagan was governor.

According to Ben-Menashe's affidavit, Brian stated in his presence that he had acquired the property rights to the PROMIS computer software and that as of 1987 "all U.S. intelligence agencies, including the Defense Intelligence Agency, the Central Intelligence Agency and the National Security Agency, were using the PROMIS computer software." Ben-Menashe further states in his affidavit that Brian consummated a sale of the PROMIS computer software to the Government of Israel in 1987.

He further claimed that Brian also sold the PROMIS computer software to Iraqi Military Intelligence. According to Ben-Menashe's

in affidavit, the Israeli intelligence officer learned of this sale from an eyewitness who helped Brian broker the sale in his office

Santiago, Chile--Carlos Carduen of Carduen Industries. Carduen has been a major supplier to the Government of Iraq with weapons and munitions.

The Federal Government of Canada has admitted that INSLAW's PROMIS software is currently operating in at least two federal departments, including the Royal Canadian Mounted Police. The Mounties are using the program in 900 locations in Canada.

INSLAW never sold its software to Canada, Iraq, Israel, the Central Intelligence Agency or the National Security Agency. It also has not been paid by the Justice Department for its use, despite the \$6.8 million ruling in INSLAW's favor.

is The Justice Department insists that the FBI is not using the PROMIS program. Yet FBI Director William Sessions and Deputy Assistant Director Kier Boyd, have made it clear that the FBI now

unable or unwilling to provide assurances that pirated software is not included in the case management information system used by FBI field offices.

And in a startling development, a man named Charles Hayes has asserted that the U.S. government has pirated the PROMIS computer program. The Justice Department has sued Hayes in the U.S. District Court in Lexington, Kentucky, seeking to compel him to return copies of computer software left on equipment Hayes' salvage business purchased from the U.S. Attorney's Office in Lexington. Hayes has publicly claimed that the salvaged equipment contained pirated copies of INSLAW's PROMIS software.

One cover-up begets another cover-up? This is how Watergate spread.

(To be continued)

Watergate
Iran--Contra
Savings & Loan Scandal
INSLAW Theft
Federal Bankruptcy Scandal
CIA Covert Operations

Did you ever wonder what the fathers of our country
would think about it if they came back to visit today?

KEY WITNESS IN INSLAW CASE ARRESTED BY JUSTICE DEPARTMENT AS PREDICTED

By Harry V. Martin
Fifth in a NEW SERIES
(c) Copyright Napa Sentinel
April 2, 1991

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Within eight days of signing a damaging statement against the U.S. Justice Department in the INSLAW software case, a key witness

against the government has been arrested and held without bail. Michael J. Riconosciuto was arrested Friday night and is being held without bail at Snohomish County jail in Everett, Washington.

Riconosciuto is being held without bail and no charges have been filed against him. He was arrested with two local men who had just sold him computer equipment for \$1000. The two were known drug users. Riconosciuto, according to jail officials, is being held for the U.S. Marshal's Office--not on any alleged local criminal violation.

Riconosciuto, and the two other persons, were arrested Friday night by more than a dozen U.S. Drug Enforcement Administration agents.

On March 21, Riconosciuto, a computer software technician, filed an affidavit in the INSLAW case. In February, Riconosciuto was called by a former Justice Department official and warned against cooperating with an investigation into the case by the House Judiciary Committee. The former Justice Department official is reported to have threatened Riconosciuto with criminal prosecution if he talked about the INSLAW case. The Justice Department has been accused by a Federal bankruptcy Judge of stealing INSLAW's PROMIS software which has the capability of tracking criminal and military movements. According to sworn affidavits, Riconosciuto was allegedly told by U.S. Justice Department officials that if he did testify in the INSLAW case he would be criminally prosecuted in an unrelated savings and loan case and would suffer an unfavorable outcome in a child custody dispute.

The threat was made by telephone and a recording was made of the conversation, according to Riconosciuto. He indicated that two copies of the recorded telephone conversation were confiscated by federal agents when he was arrested. Riconosciuto told the "St. Louis Post-Dispatch" that at least one other copy remained in a secured location.

Riconosciuto's testimony, along with others, claims that the U.S. Justice Department illegally distributed INSLAW's software to military and intelligence agencies in Iraq, Libya, South Korea, Singapore, Israel, Canada and other nations.

A Federal Judge ruled last week in Washington, D.C., that the INSLAW case be transferred from the Bankruptcy Court to the U.S. District Court.

During the early 1980s, Riconosciuto served as the Director of Research for a joint venture between the Wackenhut Corporation of Coral Gables, Florida and the Cabazon Band of Indians of Indio, California. The joint venture was located on the Cabazon reservation. The joint venture sought to develop and manufacture certain materials that are used in military and national security operations, and biological and chemical warfare weapons. The Cabazon Band of Indians are a sovereign nation and thus have immunity from U.S. regulations and stringent government controls.

The Wackenhut-Cabazon joint venture was intended to support the needs of a number of foreign governments and forces, including forces and governments in Central America and the Middle East. The Contras in Nicaragua represented one of the most important priorities for the joint venture. The joint venture maintained close liaison with certain elements of the U.S. Government,

including representatives of intelligence, military and law enforcement agencies. Among the frequent visitors to the Wackenhut-Cabazon joint venture were Peter Videnicks of the U.S. Department of Justice and a close associate of Videnicks, Dr. Earl W. Brian--who served in the California cabinet of Governor Ronald Reagan and who has very close ties and business dealings with Meese.

In connection with Riconosciuto's work, he engaged in some software work in 1983 and 1984 on the PROMIS computer software product, developed by INSLAW but being used--without payment--by the U.S. Department of Justice. A federal court has awarded INSLAW \$6.8 million against the U.S. Department of Justice.

According to Riconosciuto's court affidavit, Brian was spearheading the plan for the worldwide use of the PROMIS computer software--which was licensed and patented to INSLAW. "The purpose of the PROMIS software modifications that I made in 1983 and 1984 was to support a plan for the implementation of PROMIS in law enforcement and intelligence agencies worldwide." He said that some of the modifications that he made were specifically designed to facilitate the implementation of PROMIS within two agencies of the Government of Canada: the Royal Canadian Mounted Police and the Canadian Security and Intelligence Service. "Earl W. Brian would check with me from time to time to make certain that the work would be completed in time to satisfy the schedule for the RCMP and CSIS implementations of PROMIS." Brian, without permission from INSLAW, but acting with the U.S. Department of Justice and U.S. Attorney General Edwin Meese, reportedly sold this version of PROMIS to the Government of Canada, according to Riconosciuto.

Riconosciuto predicted his own arrest eight days later. In his affidavit filed with the court on March 21, 1991, he states, "In February 1991, I had a telephone conversation with Peter Videnicks, then still employed by the U.S. Department of Justice. Videnicks attempted during this telephone conversation to persuade me not to cooperate with an independent investigation of the government's piracy of INSLAW's proprietary PROMIS software being conducted by the Committee on the Judiciary of the U.S. House of Representatives.

"Videnicks stated that I would be rewarded for a decision not to cooperate with the House Judiciary Committee investigation. Videnicks forecasted an immediate and favorable resolution of a protracted child custody dispute being prosecuted against my wife

by

her former husband, if I were to decide not to cooperate with the House Judiciary Committee investigation.

"One punishment that Videnicks outlined was the future inclusion of me and my father in a criminal prosecution of certain business associates of mine in Orange County, California, in connection with the operation of a savings and loan institution in Orange County. By way of underscoring his power to influence such decisions at the U.S. Department of Justice, Videnicks informed me of the indictment of those business associates prior to the time when that indictment was unsealed and made public.

"Another punishment that Videnicks threatened should I cooperate with the House Judiciary Committee, is prosecution by the U.S. Department of Justice for perjury. Videnicks warned me that credible witnesses would come forward to contradict any damaging

claims that I made in testimony before the House Judiciary Committee, and that I would subsequently be prosecuted for perjury by the U.S. Department of Justice for my testimony before the House Judiciary Committee.

As predicted, after Riconosciuto's affidavit was filed with the court and reported in the "St. Louis Post-Dispatch" and "Washington Post," he was arrested and is now being held without bail and with no charges.

The INSLAW case is becoming another Watergate and involves former Attorney General Edwin Meese, a federal judge, several high officials of the U.S. Department of Justice and even former White House aide Robert C. McFarlane, who transferred INSLAW software to Israel.

There are many affidavits being filed in the case to verify wrongdoing on the part of the Justice Department. Yet the Justice Department continues to refuse to supply the House Judiciary Committee with any documents in the case. The Committee is now threatening to cut U.S. Department of Justice funding if they don't cooperate in supplying these documents.

(To be continued)

HOUSE JUDICIARY INVESTIGATORS SEEK NEW DECLARATION

By Harry V. Martin

Sixth in a NEW SERIES

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April 5, 1991

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Congressional investigators have flown to Tacoma, Washington, to interview Michael Riconosciuto--a key witness in the INSLAW case. Riconosciuto provided a damaging statement against the U.S. Justice Department in the stolen software case that potentially could become another Watergate.

Riconosciuto stated in his declaration that the U.S. Justice Department had threatened to have him arrested should he cooperate with the House Judiciary Committee investigation into the U.S. Justice Department's role in the INSLAW case. Two federal judges have ruled that the U.S. Justice Department stole INSLAW's PROMIS software and used "trickery and deceit" in the case. One of those judges was not re-appointed to the bench after his ruling. The House Committee has already heard testimony that accuses the U.S. Justice Department of attempting to interfere with the courts in an effort to have INSLAW declared insolvent. Instead, the courts awarded INSLAW \$6.8 million in damages.

Within eight days of Riconosciuto's declaration he was arrested and held without bail. Drug Enforcement Agency agents made the arrest. On Wednesday a Federal Grand Jury indicted Riconosciuto on one count of distribution of methamphetamine. He is still being held without bail. Whether or not the U.S. Department of Justice retaliated against Riconosciuto's willingness to testify before the U.S. House Judiciary Committee, the House investigators are

questioning Riconosciuto at Kitsap County Correctional Center. One member of the investigation stated that the House Committee is deeply concerned with the timing of Riconosciuto's arrest, particularly after he signed an affidavit stating he was threatened with arrest if he did testify.

The Judiciary Committee is investigating allegations that top Justice Department officials under former Attorney General Edwin Meese engaged in a criminal conspiracy to steal software developed by INSLAW and then furnished it to other countries including, Iraq, Libya, South Korea, Israel and Canada.

Congressman Jack Brooks, chairman of the Committee, has accused the Justice Department of a cover-up by withholding more than 200 documents in the INSLAW case. A U.S. Bankruptcy judge ruled in 1987 that officials of the Justice Department stole the sensitive computer software--used to track criminals and also military movements--"through fraud, trickery and deceit." The ruling was later affirmed by another federal Judge.

Riconosciuto has a previous drug conviction for manufacturing PCP aboard a Seattle houseboat 18 years ago. Riconosciuto's declaration states that he was hired to modify INSLAW's PROMIS software so that it could be sold to Canada and other customers. During the time of modification, Riconosciuto was working on a joint venture with a private security firm and the Cabazon Indians in Indio, California. The joint venture also included military equipment and biological and chemical warfare weapons for use and/or sale in Central America and the Middle East.

One Indian and two companions who were opposed to these operations and who alleged that tribal money was being filtered into foreign banks, were found slain execution style in Ranch Mirage. No one has been arrested in the case. The sister of one of the slain men reported the Indian ties with the Iran-Contra scandal and the software modification. That report was delivered to a New York television studio seven years ago. She is now preparing all of it in declaration form and supplying it to the U.S. House Judiciary Committee investigation.

In other related matters, another affidavit was filed in the INSLAW case which reports that a man bought U.S. Justice Department computers and court computers for salvage and found the pirated PROMIS software program in the surplus computer. The General Accounting Office has expressed grave concern over the salvaged computers, noting that the U.S. Justice Department has sold surplus computers without first erasing sensitive information from the memory banks. "The error may have put some informants, witnesses and undercover agents in a 'life-and-death' situation," the GAO states. The data could include the names of government informants, federally protected witnesses and undercover agents, grand jury proceedings, sealed indictments, confidential FBI investigations and personal data about Justice Department employees. These computers were sold by the Justice Department for as little as \$45. The man in Lexington, Kentucky, who found the pirated PROMIS software in the U.S. Justice Department surplus computer also found sealed grand jury indictments.

Charles Hayes was the man who bought the equipment in July 1990 for \$45. He has now been sued by the U.S. Justice Department for

the return of the computers, stating that the memory bank had not been erased. The U.S. Justice Department did not go after Hayes until after he signed an affidavit about the protected PROMIS software. It is not certain whether the U.S. Justice Department wants the sensitive material back or they want the computers to block them from being used as evidence against them in the INSLAW case. Hayes did return the equipment. This was not an isolated case. Another U.S. Attorney Office notified federal agents that once again sensitive data that could potentially identify agents and witnesses may have been lost.

(To be continued.)

>>> Item number 2875, dated 91/11/06 18:28:22 -- ALL
Date: Wed, 6 Nov 1991 18:28:22 CST
Reply-To: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
Sender: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
From: dave 'who can do? ratmandu!' ratcliffe
<dave@ratmandu.corp.sgi.com>
Subject: the INSLAW case: "Napa Sentinel" series, part 7

Harry Martin, Editor & Publisher of the "Napa Sentinel", has been doing some of the best investigative journalism published anywhere in recent years. This is part 7 of a 10-part series (plus 6 addendums) on the INSLAW case.

CANADIANS BEGIN PROBE ON PIRATED SOFTWARE FROM JUSTICE DEPARTMENT
By Harry V. Martin

Seventh in a NEW SERIES

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April 12, 1991

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The growing INSLAW software theft is now reaching foreign proportions. While the U.S. House Judiciary Committee is investigating the theft of INSLAW's PROMIS software by the U.S. Justice Department, the Canadian Parliament will commence its own investigation.

Two agencies of the Canadian Government, the Royal Canadian Mounted Police (RCMP) and the Canadian Security and Intelligence Service (CSIS)--equivalent to the CIA--are using the pirated PROMIS software, allegedly supplied to them by Dr. Earl Brian, a close associate and financial partner of former U.S. Attorney General Edwin Meese and a former California cabinet officer under then Governor Ronald Reagan.

A Federal Bankruptcy judge--who was not re-appointed to the bench after his ruling--said the U.S. Justice Department used trickery, fraud and deception in "stealing" the PROMIS software. The sophisticated software is used for tracking criminal and military activities. It was illegally sold to South Korea, Iraq, Israel, Canada and Libya by the United States.

According to an affidavit, the software was converted in a joint venture between Wackenhut Corporation of Coral Gables, Florida, and the Cabazon Band of Indians of Indio--an independent nation. The declaration by Michael J. Riconosciuto alleges that Dr. Brian was deeply involved in the joint venture. One Indian and two of his companions who objected to the joint venture--which also dealt

with

the

military weapons, biological and chemical warfare--were found murdered in execution style. That execution was reported on 20/20 by Barbara Walters and the CIA was named as the prime suspect in case. The software was specifically modified for the Canadian

government.

Riconosciuto stated in an affidavit he was warned by officials of the U.S. Justice Department that if he cooperated with the U.S. House

Judiciary Committee he would be arrested. Eight days after he signed the affidavit he was arrested by more than a dozen Drug Enforcement Agency officers near Tacoma, Washington. He was held without bail for several days and then charged with a single drug count. Though arrested in the State of Washington, he was held without bail awaiting a federal marshal to pick him up.

He, along with several others, have stated in an affidavit to the court and to the U.S. House Judiciary Committee, that the PROMIS software was modified and sold to several countries, including Canada.

Late last week, Members of Parliament demanded that the Solicitor General of Canada, Pierre Cadieux, appear before a parliamentary committee to answer charges the RCMP and CSIS are using stolen computer software. Cadieux's ministry is responsible for the RCMP and CSIS.

Though both the RCMP and the CSIS originally denied they are using PROMIS, court documents show a Canadian communications department official admitted last year that the RCMP was using PROMIS, although

INSLAW never authorized its Canadian sale.

"Did CSIS and the RCMP use PROMIS software or modifications of it?

If so, what were the circumstances of the acquisition? Was the software stolen, and if so, was the Canadian Government aware of it?" These are the questions Parliament wants to ask Cadieux. The Canadian Solicitor has indicated that the Government is already launching its own investigation into the pirated software scandal. Canadian officials are indicating that the pirated software sales may have helped to illegally fund the Contras in Nicaragua. Contra funding and supplies was one of the most important aspects of the Cabazon-Wackenhut joint venture. Riconosciuto has had inside connections with the CIA and U.S. Justice Department and some testimony put forward states that he helped to launder \$40 million for the Bush-Quayle campaign--that report has not been substantiated

by any more than one government source.

Brian is the owner of a holding company which has interests in the Financial News Network, United Press International and Hadron, Inc. Hadron was the company that was unsuccessful in buying out INSLAW, Affidavits on file with the court allege that Hadron, through Reagan

cronies, attempted to force INSLAW out of business after it was awarded a \$10 million contract by the U.S. Justice Department.

The scandal involves Meese, Brian, former National Security Advisor Robert McFarland, several senior staff members at the U.S. Justice Department, and even federal judges. The "Vancouver Sun," the leading newspaper in Western Canada, states, "The pirated

software battle already has been compared to Watergate and the Iran-Contra scandal."

(To be continued.)

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daveus rattus

yer friendly neighborhood ratman

KOYAANISQATSI

ko.yan.nis.qatsi (from the Hopi Language) n. 1. crazy life. 2. life in turmoil. 3. life out of balance. 4. life disintegrating. 5. a state of life that calls for another way of living.

>>> Item number 2876, dated 91/11/06 18:28:24 -- ALL
Date: Wed, 6 Nov 1991 18:28:24 CST
Reply-To: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
Sender: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
From: dave 'who can do? ratmandu!' ratcliffe
<dave@ratmandu.corp.sgi.com>
Subject: the INSLAW case: "Napa Sentinel" series, part 9

Harry Martin, Editor & Publisher of the "Napa Sentinel", has been doing some of the best investigative journalism published anywhere in recent years. This is part 9 of a 10-part series (plus 6 addendums) on the INSLAW case.

INSLAW CASE GETS DEEPER AND UNCOVERS MORE 'BODIES'

By Harry V. Martin

Ninth in a NEW SERIES

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April 19, 1991

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PROMIS When Michael J. Riconosciuto signed his affidavit implicating the U.S. Justice Department in the theft and pirating of INSLAW's

software, he opened a can of worms that may never go away. Riconosciuto revealed in his affidavit that the CIA, U.S. Justice Department and the FBI all had links to the Cabazon Indians and to John Phillip Nichols and that the Indian reservation in Indio, California, was linked directly to the Contras. Those links resulted in the death of many people.

be Riconosciuto also warned in his affidavit that he was going to arrested if he cooperated with a U.S. Congressional probe of the Justice Department involving the pirated software. Within eight days of signing the affidavit, like clock work, Riconosciuto was

be arrested and held without bail for the U.S. Marshal. But not to thwarted, investigators from the Congressional Judiciary Committee met and interviewed Riconosciuto.

Riconosciuto's statements, however, have sparked a new inquiry into the entire Wackenhut-Cabazon Indian joint venture and additional coverups by the U.S. Government over the stolen software,

money laundering, Mafia ties and illegal shipments to the Contras. It was the U.S. Justice Department that warned Riconosciuto not to speak out. His statements have also launched an investigation into the pirated software by the Canadian Government, as well.

One Indian and two companions who protested against the manufacturing of military equipment--including chemical and biological warfare--the alteration of the PROMIS software, and shipments to the Contras, were murdered execution style. The man who was used to transport the blood money from CIA operatives and the killers, has fled the country, but not before providing video taped testimony on the murders.

Implicated in the entire Wackenhut-Cabazon Justice Department affair, was a man called John Phillip Nichols. Nichols took over the Bingo Hall and later the reservation. The Cabazon Indians are an independent nation.

Nichols, who has been linked to Jimmy Hoffa and assassination attempts of Fidel Castro and Salvador Allende, has strong Mafia ties. He has been convicted of soliciting murder.

Linda Streeter, the sister of Alfred Alvarez, the slain Indian, has asked the California Department of Justice to assign a special prosecution unit to investigate the case. The information on the murders has been forwarded to the Congressional Judiciary Committee now probing the U.S. Justice Department.

The Riverside County Grand Jury and the Riverside County District Attorney's Office have extensive testimony on the murders.

Even 20/20 has done a segment on the Indian involvement and the murders. Nichols is the one who persuaded the U.S. Government to provide the Cabazon Indians with military and security equipment.

Nichols' ties are outlined on page 304 of "Inside Job--the Looting of America's Savings and Loans" by Stephen Pizzo, Mary Fricker and Paul Muolo.

"At San Marino Savings in Southern California we heard about a major borrower, G. Wayne Reeder (who also attempted a couple of failed ventures with Herman Beebee), meeting in late 1981 at an

arms

demonstration with Raul Arana and Eden Pastora, Contra leaders who were considering buying military equipment from Reeder's Indian bingo-parlor partner, Dr. John Nichols. Among the equipment were night-vision goggles manufactured by Litton Industries and a light machine gun. Nichols, according to former Reeder employees and published accounts, had a plan in the early 1980's to build a munitions plant on the Cabazon Indian reservation near Palm Springs in partnership with Wackenhut, a Florida security firm. The plan fell through. Nichols was a self-described CIA veteran of assassination attempts against Castro in Cuba and Allende in Chile. Authorities said he was a business associate of members of the Los

Angeles Mafia. He was later convicted in an abortive murder-for-hire scheme and sentenced."

The intertwining mess of the U.S. Justice Department, FBI, CIA, former Attorney General Edwin Meese, Dr. Earl Brian, a former Reagan California Cabinet member, and the Federal Bankruptcy Courts demonstrates a broad stroke of corruption throughout the higher echelons of government. Today, a Congressional Committee is attempting to sort everything out--but a Senate Committee once

tried

the same thing and was totally thwarted when the U.S. Justice Department refused to cooperate.

We have, in the past year, examined the CIA-Contras-Nazi-Banking connections, the CIA-Justice Department-Bankruptcy Court connections, and the CIA-Mafia-Drug connections. It is a never ending story.

(Conclusion Friday-for now).

daveus rattus

yer friendly neighborhood ratman

KOYAANISQATSI

ko.yan.nis.qatsi (from the Hopi Language) n. 1. crazy life. 2. life in turmoil. 3. life out of balance. 4. life disintegrating. 5. a state of life that calls for another way of living.

>>> Item number 2877, dated 91/11/06 18:28:26 -- ALL
Date: Wed, 6 Nov 1991 18:28:26 CST
Reply-To: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
Sender: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
From: dave 'who can do? ratmandu!' ratcliffe
<dave@ratmandu.corp.sgi.com>
Subject: the INSLAW case: "Napa Sentinel" series, part 8

Harry Martin, Editor & Publisher of the "Napa Sentinel", has been doing some of the best investigative journalism published anywhere in recent years. This is part 8 of a 10-part series (plus 6 addendums) on the INSLAW case.

MURDER OF THREE INDIANS MAY BE PART OF HOUSE PROBE ON INSLAW CASE
By Harry V. Martin

Eighth in a NEW SERIES

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April 16, 1991

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A security guard, who linked the CIA with the execution-style

murder of one Indian and two other men who objected to the tribe's manufacturing of weapons, chemical and biological warfare devices and the conversion of INSLAW's sensitive software, fled to Sonoma and Lake counties right after the murders. The security guard's secret hiding places were sanctioned by the Riverside County District Attorney's Office and the state Department of Justice.

The security guard testified in a video-taped interview about the murders and named names. The video-taping was taken by the Riverside County District Attorney's Office after a Cabazon Indian and his two companions were found slain. The security guard's testimony to the DA's Office revealed that he was the bag man who carried \$10,000 from the Indian Reservation in Indio to the top of an aerial tram in Palm Springs. The \$10,000 was "hit" money. According to the testimony, several ex-Green Berets, then employed as firemen in the City of Chicago, executed the three Indians.

Who paid for the executions? According to the testimony, a man who was once closely associated with Jimmy Hoffa and who then operated the Bingo Parlor on the Indian Reservation, provided the \$10,000 for the killing. The three slain men had raised serious objections to the Wackenhut-Cabazon joint venture. Wackenhut was involved as agents for the CIA to provide arms to the Contras and also to convert INSLAW's stolen PROMIS software for use by the Canadian Government. The Canadian Government has ordered an investigation into the pirated software scandal and the U.S. House Judiciary Committee is conducting its own investigation in what has been described as the U.S. Department of Justice's "trickery,

deceit

number

only

and theft" of the software. The U.S. Government has been connected with the illegal sale of the sensitive software to South Korea, Libya, Iraq, Israel and Canada, as well as being pirated by a of U.S. agencies, including the CIA, National Security Agency and other military units. The software is also in use by the FBI.

the U.S. Justice Department was licensed to use the software, which tracks criminals and can be used for military tracking, as well. INSLAW was awarded \$6.8 million by two federal courts against the U.S. Justice Department.

The scandal has deepened considerably, especially since the testimony of Michael J. Riconosciuto, who worked closely with the Wackenhut company, and Dr. Earl Brian--a close aid and financial business associate of former U.S. Attorney General Edwin Meese and former California Cabinet official in the Ronald Reagan governorship. The scandal has caught several members of the U.S. Justice Department, the National Security Council, the federal bankruptcy court, and other government officials in a vice. Newspapers from Canada and the United States rate the INSLAW case equal to the Iran-Contra scandal and Watergate.

Riconosciuto provided an affidavit which compromised the U.S. Justice Department and covert CIA operations. The affidavit stated that Riconosciuto was warned by U.S. Justice Department officials that if he cooperated with the House Judiciary investigation of the INSLAW case, he would be arrested. Within eight days of signing

the

affidavit, Riconosciuto was arrested in the State of Washington and held without bail. He was later charged with one count of distribution of methanphetamines--a crime that usually has a low bail. Riconosciuto was being held for U.S. Marshals.

Investigators

from the House Judiciary Committee interviewed Riconosciuto in a Tacoma jail last week.

Riconosciuto's mention of the Wackenhut-Cabazon joint venture, also sparked more controversy. The House Judiciary Committee is now

reviewing information on the Indian murders.

The "Sentinel" was able to obtain an exclusive interview with people closely associated with the Cabazon nation and the murders. The security guard, who was the bag man, had just left the military service as an airborne ranger working on covert assignments. He was hired as a security guard for the Cabazon nation. Another man, a licensed investigator, was hired to question the security guard about what he knew. It was learned that a key Indian of the tribe was making strong objections to the laundering of money from the Bingo Parlor. The main antagonist was Fred Alvarez.

The security guard was given \$10,000 to give to a hit man in Palm Springs. He has subsequently video-taped his confession to the Riverside County District Attorney's office. Alvarez, in an exclusive interview with the "Desert Sun," complained about the

U.S.

Government's abuses of the Indian nation. He told the "Sun" that people were going to kill him. Alvarez was murdered in execution style after the interview.

The Riverside District Attorney's Office and the California Department of Justice commenced their separate investigations of

the

murders. A report was issued by the state linking the people

behind

the Cabazons with direct links to organized crime--a chief Mafia Family, the Gambino Family--and the CIA. The Cabazon reservation, however, is an independent nation. In video interviews, the security guard told how Wackenhut demonstrated new weapons with

both

the FBI and the CIA present. He also testified to the presence at these demonstrations of Dr. Earl Brian.

of

was

The man who paid the security guard \$10,000 was later convicted attempted murder after five more Indians were shot to death. He

linked by law enforcement officials to organized crime and CIA covert operations.

The security guard testified that the Indio reservation was convenient for the U.S. Government because it was an independent nation and because it was close to the Mexican border, where arms were shipped enroute to the Contras. The security guard's testimony

was so sensitive, that late one night the Riverside County District Attorney's Office arranged for an armed escort to get him off the reservation. He went to Sonoma and Lake counties, and then back

to
fled Southern California to work with the Department of Justice. He
to New Mexico and now has left the country. He may return to
testify before the House Judiciary Committee, though he is in fear
of his life right now.

Like in the INSLAW case, those principles involved have fallen
like flies. The first federal judge to rule in INSLAW's favor
against the U.S. Justice Department was not re-appointed to another
14-year term. Many members of the U.S. Justice Department quit or
were fired in direct relationship to this case. The chief
investigator for the Riverside County District Attorney's Office
later taken off the case and transferred to the Juvenile Division
and then given early retirement. Shortly after his retirement, the
DA investigator states that he was pulled off the road one day by
CIA agent and told to forget all about the "desert" if he wanted
enjoy his retirement.

The man who gave the money to the security guard for the murder,
was also the same man who is reported to have been the trigger man
in Chile in 1971--the target: President Salvador Allende.

(To be continued.)

daveus rattus

yer friendly neighborhood ratman

KOYAANISQATSI

ko.yan.nis.gatsi (from the Hopi Language) n. 1. crazy life. 2. life
in turmoil. 3. life out of balance. 4. life disintegrating.
5. a state of life that calls for another way of living.

Would

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Date: Fri, 13 Dec 1991 12:42:14 CST
Reply-To: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
Sender: Activists Mailing List <ACTIV-L@UMCVMB.BITNET>
From: "dave 'who can do? ratmandu!' ratcliffe"
<dave@ratmandu.corp.sgi.com>
Subject: "Napa Sentinel" INSLAW articles--i blew it. my apologies.

I made a mistake. When I had originally communicated with Harry Martin at the "Napa Sentinel" asking him for permission to send his articles out on the net, I was not clear enough about what I meant. I maintain my own electronic mailing-list of sorts as well as occasionally posting

to various news groups. Mr. Martin only thought I was going to be sharing on-line versions of his articles with a group of electronic friends. He never wanted to simply make his stuff available "en mass" as the nets would provide, because he needs the income from selling these articles as press packets. Hence I am unable to complete the INSLAW series or do some of the others I had wanted to. At this point, if you want to obtain these packets, you'll need to buy them from the "Napa Sentinel" directly. The following press packets are available:

Lend Vest drug tug	\$10.00
S&L	\$10.00
Port Chicago I	\$10.00
Port Chicago II	\$10.00
Bosco	\$10.00
Bankruptcy	\$ 8.00
JINX	\$11.00
INSLAW	\$13.00
October Surprise	\$12.00
Mind Control	\$12.00
Noriega Trial	\$ 6.00

Mail to: Napa Sentinel, 925 Lincoln Avenue, Napa, CA 94558

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daveus rattus

yer friendly neighborhood ratman

KOYAANISQATSI

ko.yan.nis.qatsi (from the Hopi Language) n. 1. crazy life. 2. life in turmoil. 3. life out of balance. 4. life disintegrating. 5. a state of life that calls for another way of living.